New Wave
GROUP

Business | Strategy | Corporate governance

Årsredovisning 2011

Annual report 2012

Our brands

Corporate Promo

CLIQUE, Cottover, D.A.D Sportswear, d-vice, Grizzly, Harvest Sportswear, hurricane, Jingham, Jobman Workwear, New Wave, Lord Nelson, Lord Nelson Victory, Mac One, nightingale, queen anne, Projob Swedish Workwear, Texas Bull, Printer Active Wear, Toppoint

Sports & Leisure

Annika Cutter & Buck, Cutter & Buck, CLIQUE, Craft, Pax, Seger, sköna marie, speedo, umbro, Ahead USA, Kate Lord, Le Gant Paris Glove, Auclair, Gants Laurentide Ltée Gloves Ltd.

Gifts & Home Furnishings

Kosta Boda Sweden 1742, Kosta Förlag, Kosta Linnewäfveri, Orrefors, Orrefors Jernverk, sagaform, SEA glasbruk Kosta Sweden, Kosta Boda Art Hotel Sweden, Linnéa Art Restaurant

Contents

2012 in summary

- Revenues amounted to SEK 4,280 million which was in line with the previous year (SEK 4,243 million).
- Units acquired last year contributed SEK 293 million to revenues and SEK 7.8 million to profits after tax.
- The gross profit margin was 43.6 (47.4) %, of which 2.5% is attributed to restructuring expenses.
- Operating profit amounted to SEK 73.1 (326.9) million, of which restructuring expenses amounted to SEK -212.0 million.
- Profits after tax amounted to SEK 5.8 (199.1) million, of which restructuring expenses amounted to SEK -161.5 million.
- Earnings per share amounted to SEK 0.08 (2.99).
- Cash flow from operating activities increased by SEK 275.1 million to SEK 341.1 (66.0) million.
- Net debt/equity ratio amounted to 77.5 (85.9) %.
- Net debt in relation to operating capital amounted to 77.3 (78.6) %.
- The equity/assets ratio amounted to 44.1 (43.5) %.
- The Board of Directors proposes a dividend for 2012 of SEK 1.00 (1.00).

Corporate Promo

Revenues decreased by 9% to SEK 1,675 (1,835) million, and EBITDA amounted to SEK 159.0 (251.7) million. Last year was adversely affected by an item affecting comparability amounting to SEK 23.5 million.

Sports & Leisure

Revenues increased by 15% to SEK 1,983 (1,724) million, and EBITDA amounted to SEK 161.8 (177.3) million. Units acquired last year affected revenues by SEK 293 million and EBITDA by SEK 17.1 million.

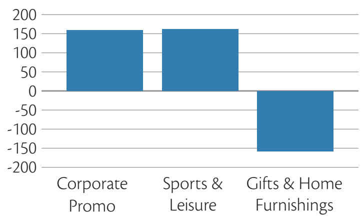
Gifts & Home Furnishings

Revenues decreased by 8% to SEK 623 (628) million, and EBITDA amounted to SEK -157.8 (-51.5) million. Restructuring expenses had a negative effect, amounting to SEK 172.0 million. Last year was adversely affected by an item affected comparability amounting to SEK 7.0 million.

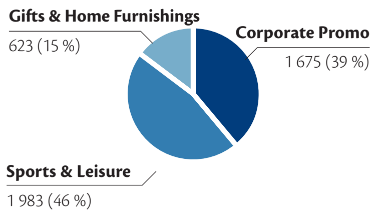
New Wave Group in brief

New Wave Group is a growth company that designs, acquires and develops brands and products in the corporate promo, gifts and home furnishings sectors. The Group will achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of its product range. To ensure good risk diversification, the Group will market its products in the corporate promo market and the retail market.

EBITDA per operating segment, SEK million



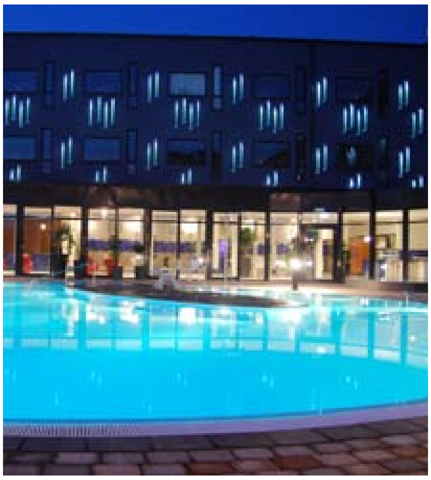
Turnover per operating segment, SEK million



EVENTS IN BRIEF

- Revenues were negatively affected by deteriorating market conditions in Europe and the Nordic countries.
- Resolution regarding a comprehensive package of measures within Orrefors Kosta Boda AB to create the conditions for immediate and long-term profitability in the company. Expenses for the agreed restructuring measures amounted to SEK 212 million.
- Our efforts to improve operating capital are continuing. The year has resulted in improved operating capital, primarily with regard to stock, but also with regard to improved credit periods. These efforts will continue in the coming years.
- Kosta Boda Art Hotel was awarded the Stora Turismpriset (Grand Tourism Award).

Key figures	2012	2011
Turnover. SEK million	4,280.2	4,236.9
Profit before depreciation, SEK million	123.7	377.5
Profit after depreciation, SEK million	73.1	326.9
Profit after finance net, SEK million	14.6	275.9
Gross profit margin, %	43.6	47.7
Equity, SEK million	1,958.0	2,092.8
Return on equity, %	0.4	9.9
Return on capital employed. %	2.0	8.9
Net debt/equity, %	77.5	85.9
Net debt through operating capital, %	77.3	78.6
Equity/assets, %	44.1	43.5
Number of employees	2,258	2 242
Profit per share, SEK	0.08	2.99
Equity per share, SEK	29.51	31.54



Kosta Boda Art Hotel has created a new design experience and was awarded the Stora Turismpriset.
The Foundation's reasoning reads:
The winner of the 2012 Grand Tourism Award has cultivated a deep-rooted cultural heritage and craftsmanship with fresh and innovative thinking by creating a new design experience which has been recognised both nationally and internationally.

The winner has demonstrated how concerted and conscious efforts within a new tourism product can contribute to the enhancement of a tourist destination, and the strengthening, renewal, and expansion of a previously strong industrial brand; a true national treasure. The winner collaborates and cooperates with other companies and players within the tourist industry and is a driving force behind the dissemination of knowledge and development of the destination's core business.

The other finalists were the Stockholm Culture Festival, Gårdsjö Moose Park, Låsta Bed & Breakfast, Urnatur Skogseremitage & Design, KronoCamping Böda Sand, Almedalen Week, Eriksberg Vilt & Natur, the Nordic Watercolor Museum, Manor Houses in Värmland, Lerbäck Theatre, Wild Sweden/Kolarbyn Ecolodge, Peace & Love, Destination Järvsö, and Destination Vemdalen.

For the 19th consecutive year, the Foundation is awarding the Stora Turismpriset for the promotion of knowledge within tourism, with the Swedish Agency for Economic and Regional Growth as trustee. The prize recognises exemplary efforts in innovation, internationalisation, quality, or sustainability which have contributed to the development of tourism in Sweden.

Orrefors and Kosta Boda throughout the World

In Shanghai, China, a new showroom has been opened for the important Asian market with the aim of helping the brand to attract a new target group with considerable purchasing power. Orrefors and Kosta Boda also has its own department at Harrods in London, as well as KDV in Germany, Galleri Lafayette in Paris, and El Corte Inglés in Spain. These are all very well-known department stores working with the world's most exclusive brands.

Craft signs a new contract with the Norwegian Athletics Association and obtains an extended contract with the Swedish Ski Association

For more than 10 years, Craft has been a proud package supplier of clothing to the Swedish national cross-country team. In 2012, we extended our contract with the Swedish Ski Association. We also signed a contract with the Norwegian Athletics Association to be a clothing supplier to the Norwegian national athletics team.

"These are two examples of the several very exciting collaboration projects which began during the year", explains Jonas Peterson, CEO of Craft.

"Developing our long relationship with the Swedish Ski Association feels like an exciting challenge ahead of the Winter Olympics in Sochi and the World Championships on home soil, which will be the next championship in which we will provide optimal clothing solutions to the competitors. In addition, signing a completely new athletics contract with the Norwegian Athletics Association is a new venture for us. We are making a concerted effort to further strengthen our position in the Norwegian market, which also gives us access to a highly talented team which will comprise an important element of our continued product development of our Running collection."

Craft is also continuing its global expansion, and during the year sales began in a further four markets; South Korea, South Africa, Australia, and Taiwan. Before the launch in South Africa, we also signed a contract as clothing sponsor for the world's toughest bike race, Cape Epic, an 8-day mountain bike competition.

Statement by the Managing Director

I would like to sum up 2012 with the fact that despite everything I feel quite satisfied. With regard to the market conditions and economic situation, sales were not as bad as I feared. Even if a 1% sales increase, including acquisitions, is a long way from my and my colleague's goal. In light of both the economic situation and the steps undertaken in Orrefors Kosta Boda, I would still describe the result as satisfactory.

I am pleased with our cash flow, our inventory and the fact that we have a strong balance sheet. By and large all key figures in the balance sheet are at historically peak levels – despite the poor year and Orrefors Kosta Boda's package of measures.

Future prospects

Despite the good fourth quarter, I believe it will be tough, sales wise, for at least the first half year, and maybe the whole of 2013. With regard to the result, I hope that a lot will happen during 2013. Partly because I am more or less certain that Orrefors Kosta Boda will show a positive result for the year – which was five years since the last time – and partly because we have both saved and streamlined in most areas and companies. Besides sales, the gross margin, at least in the short term, can be a threat. But even this shouldn't be so much worse and we have an upside with regard to the gross profit in Orrefors Kosta Boda. We choose not to give a forecast for 2013 but instead we hope to deliver quarter for quarter.

Expansion 2013?

No – preferably not. I love expansion, and I love growth but 2008/2009 and 2012 have taught me that we must be financially very strong, and we are nearly there. Therefore 2013 will be a year when we will prioritize the result, a further strengthening of our balance sheet and a further reduction in our debts. These are our main goals for 2013. If the economic situation and sales swing upwards faster than I expect, then we can of course expand more quickly and we will of course be back as a growth company but a secure and strong company. Even if the actual niggling is boring I believe that 2013 will give many other reasons for rejoicing.

Torsten Jansson
Vd och koncernchef

About New Wave Group

BUSINESS CONCEPT

New Wave Group is a growth company that designs, acquires and develops brands and products in the corporate promo, gifts and home furnishings sectors. The Group will achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of its product range. To ensure good risk diversification, the Group will market its products in the corporate promo market and the retail market.

VISION

The vision for the Corporate Promo operating segment is to become the leading supplier in Europe and one of the leading suppliers in the USA of promotional products by offering retailers a broad product range, strong brands, advanced expertise and service, and a superior all-inclusive concept.

The vision for the Sports & Leisure operating segment involves establishing the wholly-owned brands Craft and Seger as international, functional sportswear brands and making Cutter & Buck a world-leading golf apparel brand. Moreover, the vision also entails strengthening Umbro in the Swedish market and Speedo also in the Norwegian and Danish markets. With regards to prior year's acquisitions, we want to launch AHEAD in Europe and in time achieve the same market position as in the USA. The brand Auclair should take a leading position in Europe and we will also use Paris Glove's strong distribution platform to launch the Group's other brands in Canada. Together, this means that in the future we will claim a strong market position in Canada in the Sports & Leisure operating segment and workwear. All in all, we want to become the leading sports supplier in both Sweden and the other European countries, as well as in the USA. Our vision is also to make PAX the leading children's footwear brand in northern Europe.

The vision for the Gifts & Home Furnishings operating segment is to make Orrefors and Kosta Boda world-leading glass and crystal suppliers. Furthermore, the vision also involves utilising innovative and playful design to make Sagaform a prominent player in Northern Europe in both the promo and retail markets. The Group's ambition is to become a prominent supplier in the North American promo market through its presence in the USA and Canada.

PROFITABILITY AND GROWTH TARGETS

New Wave Group strives for sustainable, profitable sales growth through expansion in its three operating segments, Corporate Promo, Sports & Leisure and Gifts & Home Furnishings. Over a period of one business cycle, the Group's growth target is between 10 and 20% per year, of which between 5 and 10% is organic growth and a 15% operating margin. In addition, New Wave Group aims for at least 30% equity/assets ratio over one business cycle.

STRATEGY

To realise its targets, New Wave Group's strategy involves:

- acquiring, launching and developing the brands in the corporate promo, sports, gifts and home furnishings sectors
- launching the brands and organisations in new geographic markets
- spreading the Group's values to new and acquired companies

NEW WAVE GROUP'S VALUES

New Wave Group is a decentralised organisation and the Group's values are its guiding principle. We are dedicated to upholding and spreading New Wave Group's values within the Group and particularly when acquiring new companies. New Wave Group does its utmost to find inexpensive, simple solutions and adheres to the motto "a penny saved is a penny earned".

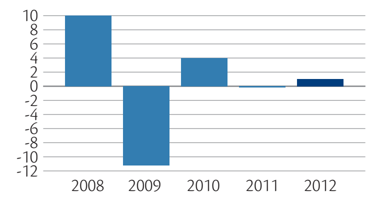
- It takes hard work to outperform competitors.
- Employees must have the conviction to take initiative and to learn from their mistakes in a decentralised organisation.
- Customer focus is a central principle for the organisation as a whole and imperative to doing our utmost.

HISTORY

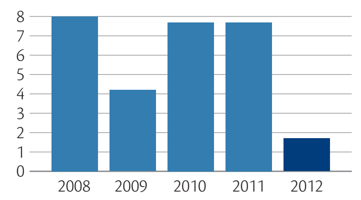
New Wave Group was established in 1990 in Sweden and Norway and in 1994 in Finland. The Group ranks as market leader in these markets, with an estimated promowear market share of about 30%. In 1996 Craft was acquired, which established sales in the retail operating segment. With its 2001 acquisition of Sagaform, New Wave Group moved into promotional gifts, which generated substantial synergies with the Group's other promo activities. In 2003, New Wave Group developed its own workwear concept under the ProJob brand and sealed the venture with the acquisition of Jobman. Following its launch in workwear, New Wave Group is currently the only supplier to cover all three segments (promowear, promotional gifts and workwear) in the promo sector. To further strengthen the Group's gifts and giveaways segment the Orrefors Kosta Boda Group was acquired in late 2005. Cutter & Buck was acquired in 2007 and secured a sound foothold in the North American market. The Group's presence in North America was further strengthened during 2011 when AHEAD Inc and Paris Glove of Canada Ltd were acquired.

The Group has gradually expanded and set up organisations in Europe, North America and Asia. New Wave Group has established sales organisations and its own subsidiaries in 18 countries. Via retailers, New Wave Group distributes the Craft brand in 26 markets in Europe, North America and Asia. Sales in non-Swedish markets make up about 73% of the Group's sales and amount to SEK 3,122 million. Sweden is still the Group's most important market since most of the acquisitions in the past years have involved Swedish companies, but the recent acquisitions in North America have made this an important market as well.

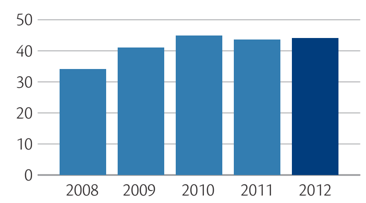
Growth, %



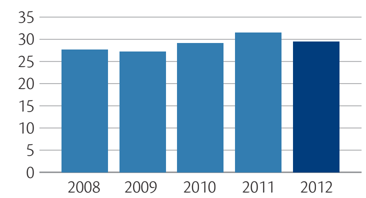
Operating margin, %



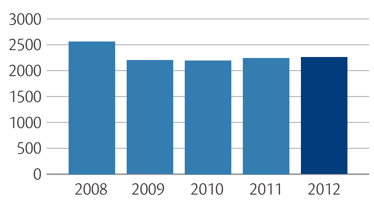
Equity ratio, %



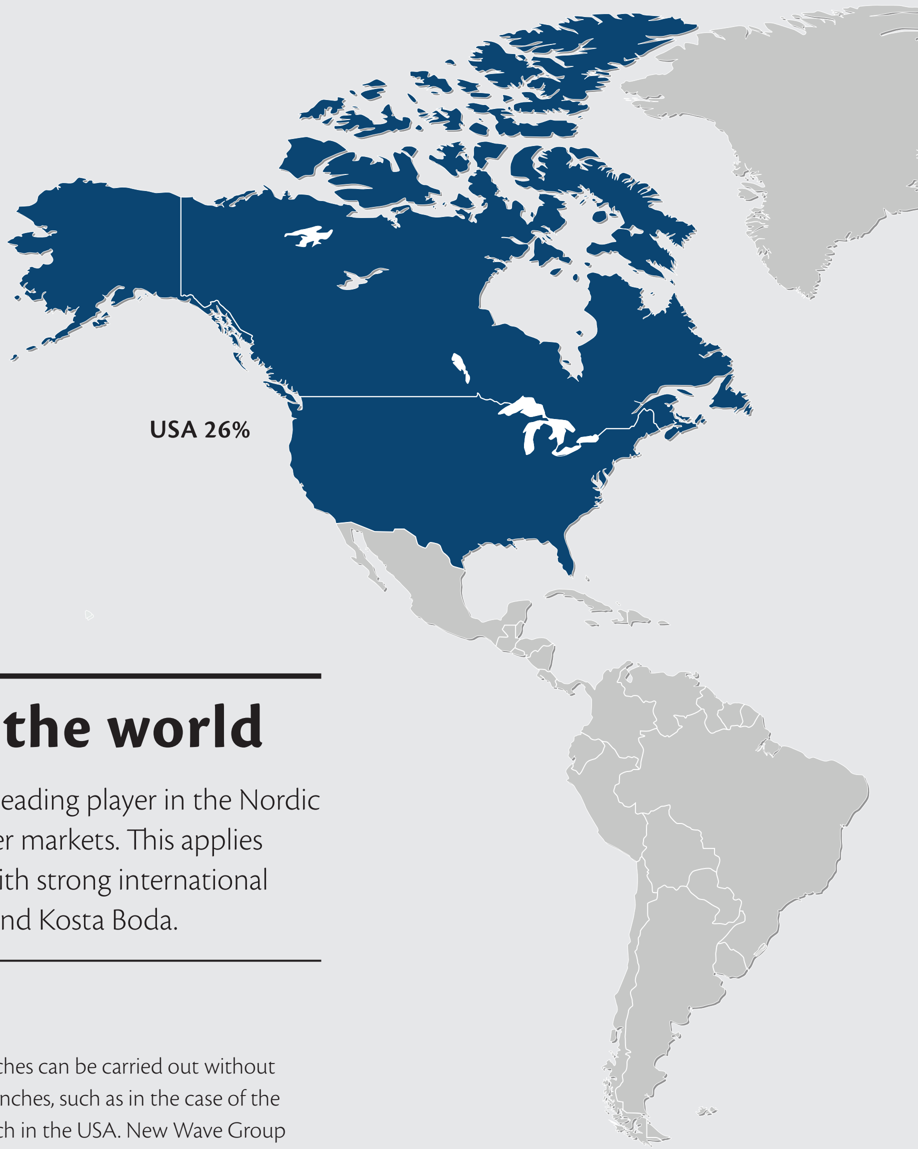
Equity per share, SEK



Number of Employees



1990	Sweden and Norway
1994	Acquisitions in Finland and Italy
1996	Acquisition of *Craft of Scandinavia*
1997	Establishment in Denmark, Spain and German
1998	Acquisition of *Hefa*
1999	Establishment in The Netherlands and England
2000	France. Acquisition of *Texet*
2001	Acquisition of *Sagaform* and *Seger*
2002	Acquisition of *DJ Frantextil, X-Tend* and *Toppoint*
2003	Establishment in China and Switzerland. Establishing of *ProJob*
2004	Acquisition of *SMAP*, *DAD Sport swear* and *Jobman*
2005	Ireland, Wales and Russia Acquisition of *Dahetra*, *Orrefors Kosta Boda* and *Intraco*
2006	Large investments in *Orrefors Kosta Boda*
2007	Acquisition of *Cutter & Buck*
2008	Introduction of *Clique/New Wave* in the U.S Establishment of *New Wave Sports*
2009	Grand opening of *Kosta Boda Art Hotel* Introduction of *Cutter & Buck* in Europe
2010	Establishment of *Linnéa Art Restaurant* *Cutter & Buck* is establishing a new distribution center in Kentucky
2011	Acquisition of *AHEAD* and *Paris Glove*
2012	Measures taken to convert *Orrefors Kosta Boda AB* into a design and market driven company



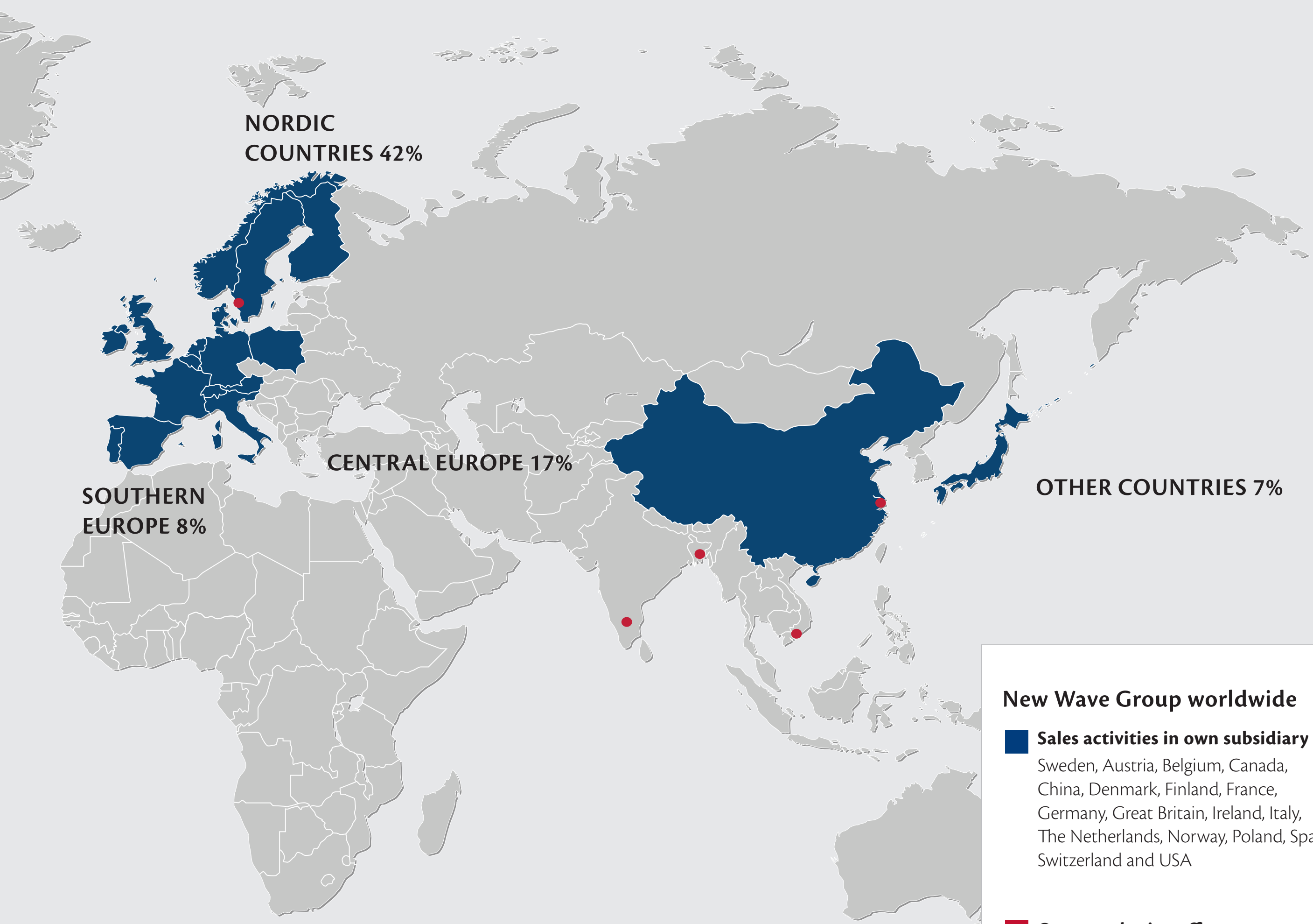
New Wave Group in the world

New Wave Group has evolved from a market-leading player in the Nordic countries to a prominent player in several other markets. This applies to all operating segments. The Group works with strong international brands such as Craft, Cutter & Buck, Orrefors and Kosta Boda.

The Group's business strategy entails launching brands and developing concepts on new markets. The company's tactics for foreign launches involves only targeting the corporate promo market to start with one or a couple of the Group's brands. Business must be conducted with low costs to limit the financial risks. When satisfactory profitability and good growth have been achieved, more promo brands can be launched and the retail market targeted. If distributors handle the launches, retail launches can be carried out without promo launches, such as in the case of the Craft launch in the USA. New Wave Group regularly invests a share of its operating profits in new markets. New Wave Group currently has subsidiaries in 18 countries and has carried out 202 launches under its existing brands. By solely introducing the Group's existing concepts in countries where the Group already has its own organisations, at least 150 new launches remain to be carried out.

Sales per area

	2012	Part of turnover	2011	Part of turnover	Change, SEK million	Change, %
Sweden	1 158	27%	1 285	30%	-127	-10%
USA	1 112	26%	894	21%	218	24%
Nordic region excl Sweden	628	15%	661	16%	-33	-5%
Central Europe	743	17%	781	18%	-38	-5%
Southern Europe	356	8%	443	11%	-87	-20%
Other countries	283	7%	173	4%	110	64%
Total	**4 280**	**100%**	**4 237**	**100%**	**43**	**1%**



New Wave Group worldwide

Sales activities in own subsidiary
Sweden, Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, Great Britain, Ireland, Italy, The Netherlands, Norway, Poland, Spain, Switzerland and USA

Own purchasing offices
Sweden, Shanghai (China), Dhaka (Bangladesh), Ho Chi Minh City (Vietnam) and Bengaluru (India).

Proportion of sales

	AHEAD/ Kate Lord	Auclair/ Laurentide/ Paris	Clique/New Wave	Clique Retail	Craft	Cutter & Buck	D.A.D	d-vice	Grizzly/Cottover	Harvest/Printer	Hurricane	Jobman	Kosta Boda	Lord Nelson/Queen Anne	Mac One/Jingham	Orrefors	PAX/Sköna Marie	ProJob	Sagaform	SEA	Seger	Toppoint
Sweden			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Austria			●		●			●		●		●			●			●	●			●
Belgium			●		●	●	●	●	●	●		●	●		●	●		●	●		●	●
Canada		●								●								○			●	
China			●					●					●			●						
Denmark			●		●	●	●	●	●		●	●	●	●	●	●		●	●	●	●	●
Finland			●			●	●		●	●		●	●	●	●	●	●	●	●	●	●	●
France			●				●	●	●	●			●			●		●	●			●
Germany			●		●		●	●	●	●	●	●	●		●	●		●	●	●		●
Irland					●					●								●	●			
Italy			●		●	●		●		●		●		●				●				●
Netherlands			●		●	●	●	●		●	●	●			●			●	●		●	●
Norway			●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Poland							●	●	●	●				●				●	●		●	●
Spain			●					●		●				●				●	●			●
Switzerland			●		●	●		●		●		●						●				
UK			●		●	●	●	●	●	●		●	●			●		●	●			●
USA	●	●	●			●		●				●	●			●			●	●	●	

○ New establishment 2012

Small company flexibility with large company synergies

New Wave Group markets products under several different brands. The company strives for complete integration from the beginning of the chain in order to attain competitive advantages. The synergies are evident for operational segments Corporate Promo, Sports & Leisure as well as Gifts & Home Furnishings within several areas.

DESIGN

The company has extensive experience in design and product development. Elaborate strategies are applied to each brand regardless of product category. The various concepts within the operational segments Sports & Leisure and Gifts & Home Furnishings have their own product development activities. Corporate Promo's product development activities are coordinated since the design is less fashion sensitive.

Well designed promowear suits both men and women of working age and allow ample room for profiling (i.e. logotypes) since the clothes target the corporate market. Many of the designs for Sports & Leisure and Gifts & Home Furnishings are based on form and function. The Group has several close partnerships with athletes at both elite and amateur level in a variety of sports. Kosta Boda and Orrefors teams with several famous artists, a collaboration that is also used in the development of the Kosta Linnewäfveri and Orrefors Jernverk brands.

PURCHASING AND PRODUCTION

The Group's total purchasing volume considerably surpasses most of its competitors in the promo market, giving major cost savings in terms of coordinating purchasing, transportation and warehousing. In addition to Sweden, New Wave Group has purchasing offices in Bangladesh, China, India and Vietnam. New Wave Group currently has about 400 suppliers.

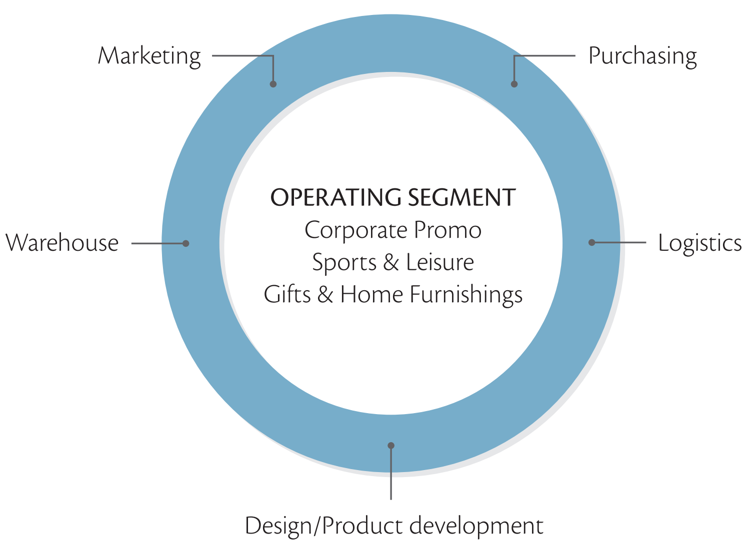
The Group has locally employed quality controllers who supervise production and safeguard that the suppliers fulfil the Group's quality and environmental requirements. It is essential that quality issues are detected before the goods are shipped to Europe and the USA in order to correct them and deliver high quality products to the customer. The Group also has controllers employed to oversee that suppliers confirm to the Group's Code of Conduct.

New Wave Group owns a few factories. In Sweden, Seger Europe has a production unit for knitted items (hats, socks and scarves) and Orrefors Kosta Boda glass making facilities. In the Netherlands, Toppoint runs printing operations for, among other things, pen and mug prints. In Denmark, Dahetra owns a production facility for embroidery and transfer printing. In the USA, AHEAD and Cutter & Buck have some embroidery production and Paris Glove a production unit for gloves.

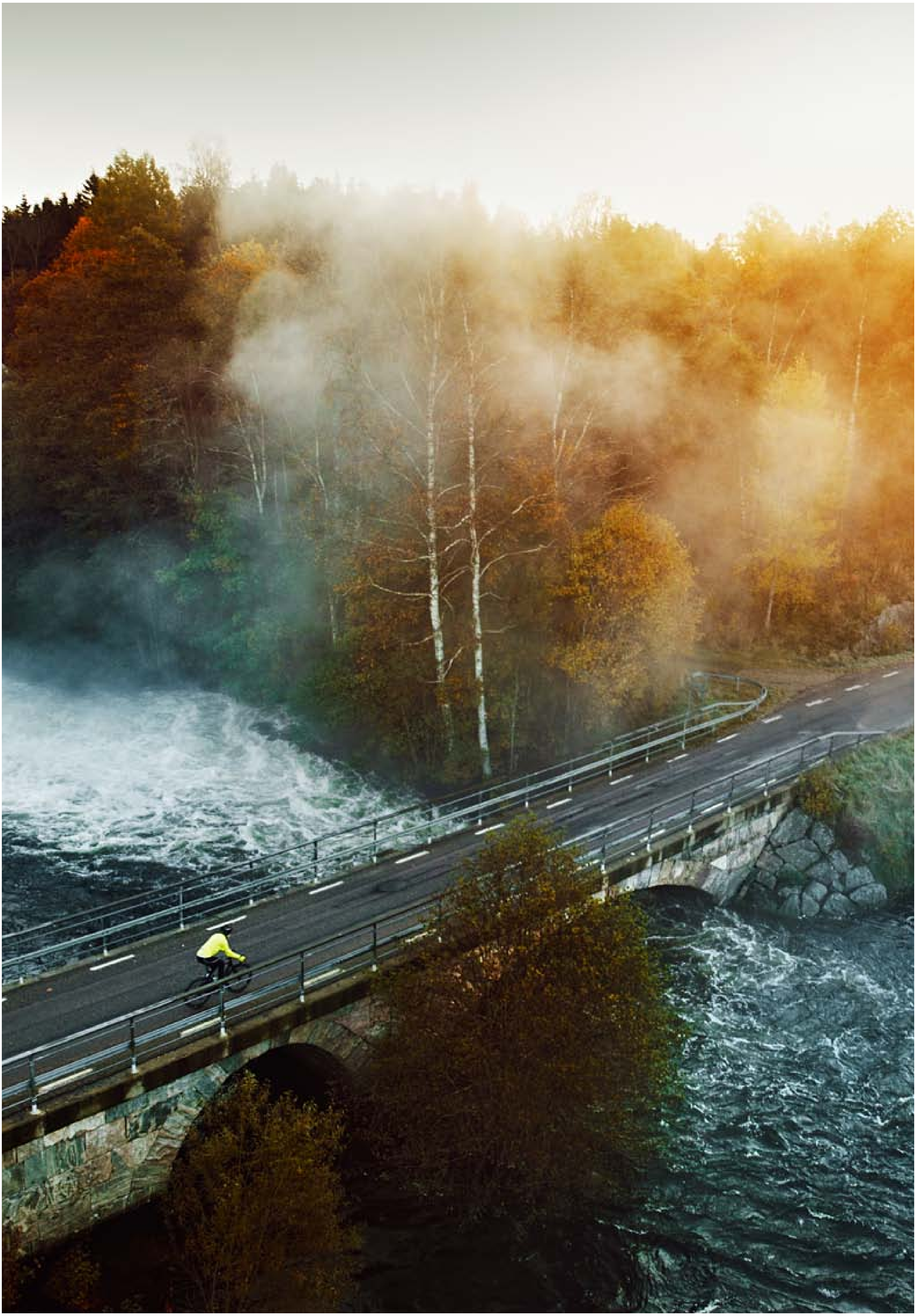
LOGISTICS AND WAREHOUSE

Most of the Group's products are manufactured in Asia. Major economies of scale are possible by coordinating transports to Europe. The Group continues to concentrate on few warehouses, which enables the Group to keep tied up capital at a minimum. Logistics can also be coordinated by doing business in both the promo and retail markets, where the two sales channels have most products in common.

GROUP-WIDE COLLABORATION

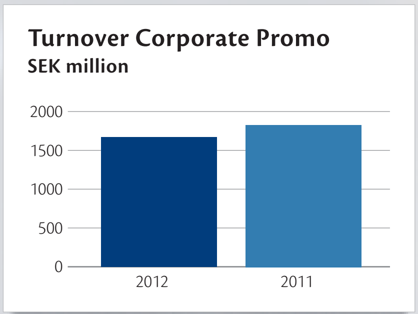


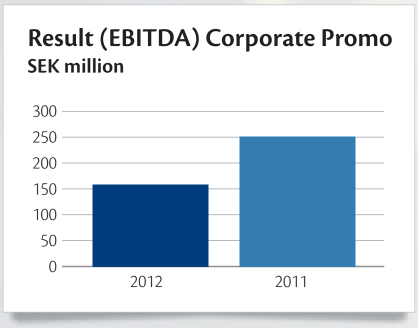
A STRONG OFFER



Corporate Promo

Corporate Promo is New Wave Group's largest operating segment and the brands are divided into three subdivisions: promowear, promotional gifts and workwear. Business is conducted with 19 brands in a total of 18 countries on three continents. The operating segment's domestic market is the Nordic countries which also answer for most of the sales. Corporate Promo answered for 39% of the Group's sales and SEK 159.0 million of the Group's profits (EBITDA) in 2012. The brands in the Corporate Promo operating segment are sold primarily in the promo sales channel, but some brands are also sold in the retail sales channel.





OUR OFFER

Corporate Promo's subdivisions – promowear, promotional gifts and workwear – consist of products that cover all price levels and qualities. Promowear and promotional gifts have similar application areas (to promote and market brands) and are marketed by the same type of retailers. Workwear is primarily used when functional, durable work clothes are needed in many professions.

Within the promowear segment, New Wave Group offers clothes adapted for printing and embroidery which, in addition to price and quality, also cover all application areas and sizes – from favourably priced basic garments to detailed garments made of exclusive textiles, leisure, work and sports clothes, clothes in classic and trend colours, in sizes from XS to XXXL. New Wave Group's promowear brands are divided into three concepts that include such brands as D.A.D Sportswear, James Harvest Sportswear and New Wave.

The promotional gift concept is broad and the subdivision covers a multitude of products and price classes. New Wave Group can through its concept, which includes such brands as d-vice, Queen Anne and Toppoint, offer everything from pens, USB flash drives and digital picture frames to handbags, bed linens and towels.

The final piece of the Corporate Promo puzzle is workwear. In Sweden, there is a vast need for and expertise in personal protection and the issue is intensely promoted by trade unions and employers. New Wave Group can through its two brands, Jobman and ProJob, offer work clothes for such professional categories as construction and installation workers, painters and plasterers, transport and service workers, as well as hotel and restaurant workers. The collection is all-inclusive, ranging from underwear to outer garments for all seasons and weather conditions, reflective clothing, shoes, gloves, carrying systems and accessories. All garments and products are ergonomic and durable and come in sizes for both women and men.

NEW WAVE GROUP offers products from all three of Corporate Promo's subdivisions:

- Promowear
- Promotional gifts
- Workwear

SALES CHANNELS

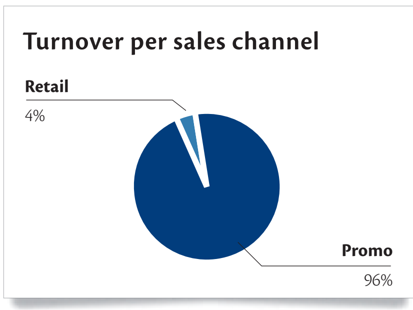
The Nordic promowear and promotional gifts market is distinguished by a clear distribution chain: manufacturer – wholesaler – retailer – end customer. The distribution is not as well organised in South and Central Europe. Distributors who market brands that they do not themselves own often have substantial influence in the market. The North American market is much more advanced and the distribution chain resembles the Nordic market.

In Sweden, there are about 2,500 retailers of promowear and promotional gifts, a high figure per capita compared with the rest of Europe and the USA. There is a wide variety of retailers, ranging from simple sole proprietorships to large companies with high-end displays and travelling sales forces. Some retailers target one of the three subdivisions, while others work all three. Most are pure sales companies, but it is equally common that retailers also print, embroider and engrave in order to have a more complete offer.

Workwear has traditionally been sold via special retailers for construction and industry, paints, etc., but today more and more channels include workwear by either collaborating with already established brands or by designing their own brands and collections. This is partly because the sector has been growing for many years, but is also attributed to a greater interest in the domestic market spurred by the large number of DIY and home decoration shows on TV. In the future, distribution will probably be even more differentiated as more players try to establish themselves in the workwear market in Sweden and Europe.

CAPITAL TIED UP

A company that orders promowear in its corporate colours for its employees or customers relies on the supplier's ability to deliver a full range of sizes and correct colours. For instance, if New Wave Group cannot deliver products in a medium size or in the end customer's corporate colours, the customer will turn to a differ-



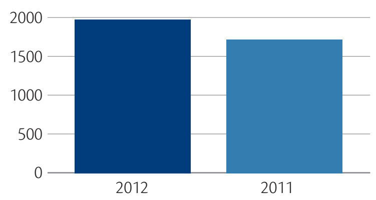
PROMOTIONAL GIFTS is a broad concept that covers a lot of different products and price levels.

ent supplier. The Group's ambition is to deliver 98% of its products within 24 hours. The risk of obsolescence is low since most of the collection comprises timeless basic products for which there is a demand season after season. Adjustments for changes in purchasing prices are made continuously since sales are instant which limits the currency risk. Sales are made to selected retailers, which limits bad debts. In 2012, confirmed bad debt losses in the Corporate Promo operating segment made up 0.29% of sales. Many of the products are the same for both the promo and retail sales channels, which provides a significant spread of risk. Moreover, the two sales channels can use the same product catalogues.

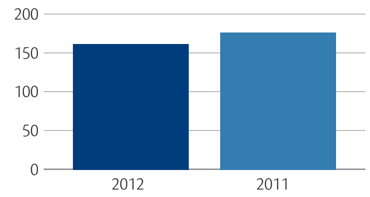
Sports & Leisure

Sports & Leisure includes several internationally well-known sports brands like AHEAD, Auclair, Craft, Cutter & Buck and Seger. Business is conducted with 12 fully owned brands in 14 countries, focusing on the Nordic countries and North America. In addition to our own brands, business is also conducted with licensed brands Speedo and Umbro. Sports & Leisure answered for 46% of the Group's sales and SEK 161.8 million of its profits (EBITDA) in 2012. Most of the sales relate to the retail market (sports retail sector), but some sales also stem from the promo market.

Turnover Sports & Leisure
SEK million



Result (EBITDA) Sports & Leisure
SEK million



CUTTER & BUCK

Cutter & Buck is a world-leading golf inspired American clothing brand for men and women who appreciate groundbreaking, exclusive sports and leisure wear. Cutter & Buck's extensive collaboration with golf legend Annika Sörenstam has resulted in the ANNIKA collection, inspired by Sörenstam's passion for golf and strive for perfection. Cutter & Buck is sold via several different distribution channels, including the golf retail sector, the promo market, the fashion retail sector and directly to consumers (e-commerce and mail order). The objective is to build up a strong position in the golf and ready-to-wear sectors also in the European market in the long term. Cutter & Buck is also a strong platform in the North American market for introducing New Wave's other concepts.

CRAFT

Craft is a product of sweat and tears, of rain and shine, of failure and success, but also of euphoria when boundaries are shifted. For four decades, we have delivered optimal performance through functional sportswear, and we have been a part of the professional sporting world for almost as long. Our knowledge of how sportswear for training and competitive events should be designed so as to offer optimal functionality comes largely from our extensive and successful cooperation with elite athletes from across the globe. Craft offers underwear, insulating middle layers, and outer garments to runners, cross-country skiers, bikers, and alpine skiers of all abilities.

Craft's domestic market, Sweden, accounts for almost 20% of its annual turnover. Craft's global expansion led to a break in the trend in 2012 when turnover in Norway surpassed that of Sweden for the first time.

Cutter & Buck

Clique Retail

Seger

Umbro

PAX

The defined focus markets with considerable potential include the other Nordic countries, the Benelux countries, Russia, and Germany. Our competitors vary somewhat depending on the segment and the market, but some examples include Adidas, Castelli, Nike, North Face, Odlo, and Swix. The challenge which Craft faces going forwards is to reinforce the brand internationally and to achieve the same strong position as in the domestic market.

AUCLAIR

Auclair is Canada's oldest and most renowned glove brand. Auclair delivers high-quality skiing, snowboard and bike gloves to sports retailers and specialised stores. Auclair has a more than 30 year long cooperation with the Canadian cross country skiing team. Auclair is also official supplier of gloves to practically every Canadian team on snow and ice, including alpine, snowboard, freestyle, bobsleigh, luge, Nordic combined and telemark.

LAURENTIDE

Laurentide supplies the North American industry with work gloves, protective clothing and rain gear.

AHEAD

AHEAD designs and markets branded headgear, clothing and accessories. AHEAD was founded in New Bedford, USA in 1995 and has benefitted from the golf industry's need for specialised high-quality graphics on headgear and clothing, as well as the brand awareness of people who visit golf stores. AHEAD have four business units: AHEAD, AHEAD Headgear, AHEAD "Heavy Metal™" and the Kate Lord™ Collection, an exclusive women's wear line. AHEAD is worn by golf dignities like Retief Goosen, Brittany Lincicome, Jack Nicklaus and Arnold Palmer.

SEGER

Seger's expertise, experience and innovativeness make it a brand that with self-confidence and attitude offers the conscious consumer an obvious choice for technically knitted socks and hats. Seger is mainly marketed in the Nordic countries, but is now also concentrating export activities to the rest of Europe. Even more markets in Central Europe and North America will be addressed in 2013–2014. In the Swedish market, Seger is challenged by brands like Bula, Falke, Housebrands, X-Socks and new niche brands. In the export market, brands like Barts, Bula, Eisbaer, Falke, X-Socks and the sports chains' own brands are the main competitors.

CLIQUE RETAIL

Clique Retail is comfortable and appealing affordable garments. The products are primarily basic ready-to-wear, i.e. products with high turnover rate and great profitability. It is our greatest challenge to explain the brand's simple yet profitable concept: we handle warehousing and therefore assume the greatest risk for lack of profitability. Sweden is Clique Retail's largest market at present and customers consist mainly of the sports chain section and the everyday commodity sector. Clique Retail's main competitors are the sports retailers' own brands.

PAX

PAX has for more than 80 years been dedicated to manufacturing high-quality shoes for children and is nowadays one of Sweden's most prominent shoe manufacturers. Carefully selected materials and innovative design is PAX's insignia. The shoes are sold through a nation-wide web of local retailers. Main competitors are the shoe retailers' own brands as well as Ecco, Kavat and Viking.

SKÖNA MARIE

Sköna Marie is classic Swedish shoes brand that manufactures functional high-quality women's shoes. Sköna Marie always uses the very best raw materials and most models are made of real leather, a breathable, soft and very comfortable material. The shoes are sold through a nation-wide web of local retailers. Main competitors are Ecco, Rieker and the shoe retailers' own brands.

LICENSED SPORTS BRANDS

New Wave Group has a portfolio of very strong sports brands in various areas. The Group's main strategy is to own and thereby develop the brands and licensing has therefore historically not been part of our core business. Below is a presentation of the licensed brands that New Wave Group markets in the Swedish and Nordic markets.

UMBRO

Umbro was founded in England in 1924 and designs, develops and markets football related products. Umbro is presently a well-established brand represented all over the world and sold in more than 90 countries. Umbro supplies, among others, the Irish and Norwegian national football teams with match kits and training gear. Umbro sponsors several international professional clubs and also some prominent individual stars like Joe Hart, Andy Caroll och Anders Svensson.

Speedo

SPEEDO

Speedo was founded as far back as 1914 in Bondi Beach outside Sydney, Australia and is the most sold swimwear brand in the world. Speedo has been a world leading racing brand for a long time and more Olympic gold medals have been won in a Speedo swimsuit than in any other brand. Speedo sponsors, among others, American swimmer Michael Phelps who won no less than 8 gold medals at the 2008 Olympic Games in Beijing wearing Speedo. Speedo's product line has broadened over the years and the Speedo logotype can now be found on everything from swimwear and goggles to watches and MP3 players. Speedo's products are available in more than 170 countries across the world.

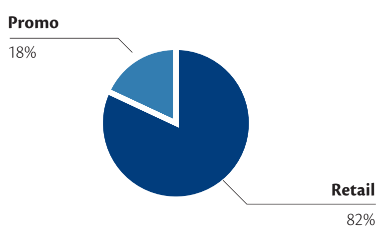
SALES CHANNELS

The retail sector is the natural channel for meeting the market for all the operating segment's brands. Clique Retail, Craft, Seger, Speedo and Umbro all have a verified position in the sports retail sector, but are also sold in the promo market and through athletic clubs.

CAPITAL TIED UP

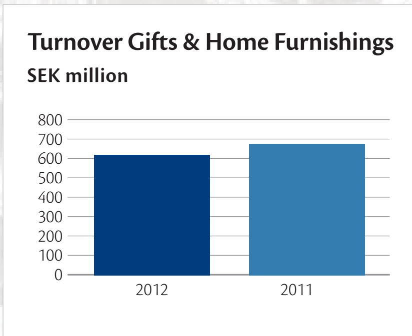
New Wave Group's objective is to keep the stock of fashion items low since the lifespan for these items is short. The retail sector focuses on less fashion-sensitive areas, such as Craft's function base garments and Seger's socks. In the retail sector sales consist largely of advanced orders compared with the promo market where deliveries are made directly against order. This means, for instance, that the customer places orders in the spring for goods to be delivered in the autumn. About 70–75% of the sales in the retail sector are advanced orders. In conjunction with orders from customers, the Group places orders with the factory which significantly reduces the risk of obsolescence. The rest of the sales, so called supplementary sales, are primarily base items with limited fashion risks. In order to limit its foreign exchange risk, the company hedges between 50–80% of the purchasing costs. Sales are made to selected retailers, which limits bad debts. However, there is a higher concentration to fewer customers in the retail segment compared with the promo segment. In 2012, confirmed bad debt losses in the Sport & Leisure operating segment made up 0.15% of sales. Many of the products are the same for both the promo and retail sales channels, which provides a significant spread of risk. Moreover, the two sales channels can use the same product catalogues.

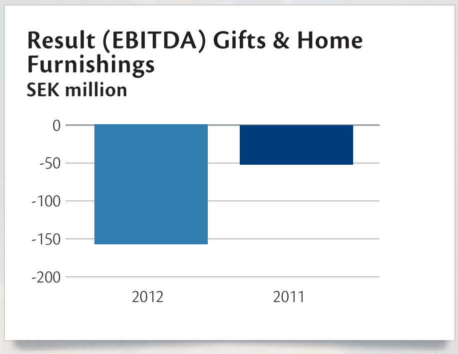
Turnover per sales channel



Gifts & Home Furnishings

Several strong brands such as Kosta Boda, Orrefors, and Sagaform comprise part of the Gifts & Home Furnishings operating segment. A total of nine brands are established in 15 countries. Sweden is the largest market and also accounts for a large proportion of sales. Gifts & Home Furnishings accounted for 15% of the Group's sales in 2012, making a loss of SEK 157.8 million (EBITDA), of which restructuring expenses had a negative effect of SEK 172.0 million. The brands are sold primarily on the retail market, but also within the Corporate Promo market.





ORREFORS

Orrefors has a classic design, with clean lines that emphasise the shape and character of the glass.

In the autumn of 2012, a comprehensive package of remedial measures was presented which resulted in the closure of the manufacturing facilities in Åfors and Orrefors, and moving them to Kosta or to external manufacturers. The company's strategy is shifting from being very production-oriented, to being more market- and design-driven, with a focus on latching on to new consumer trends in the market.

Historically, Orrefors has been the market leader for glass tableware, and is now focussing even more on this category of goods primarily in the Nordic countries, Northern Europe, and the U.S.

We can see a slight recovery in the Swedish and American market during the autumn of 2012, while the rest of Europe continues to struggle with major problems, primarily caused by the financial crisis.

KOSTA BODA

Kosta Boda has a multi-faceted design which is heavily influenced by allowing designers to express their own individual character.

The focus of Kosta Boda has also shifted from being more production oriented, to being more market- and designdriven. The Kosta Boda brand can now become broader with regard to its product range, and more product groups will fit within the Kosta Boda brand in the future.

Kosta Boda will also continue to be firmly rooted in Swedish glass art, and several exhibitions have been held in the Nordic countries, Europe, and the U.S. throughout the year.

Also for Kosta Boda, a slight recovery can be seen in Sweden and the U.S.

KOSTA BODA ART HOTEL

Kosta Boda Art Hotel was inaugurated in the summer of 2009 as the world's first art glass hotel, where the designers of Kosta Boda were responsible for all the art glass decorations. With its 102 rooms, conference facilities, indoor and outdoor pools, and a large spa and relax area the hotel has generated a real upswing for Kosta's tourism and boosted the number of visitors throughout the entire region.

In 2012, the Kosta Boda Art Hotel had the honour of accepting the Stora Turism prize, awarded for having cultivated a deep-rooted cultural heritage and craftsmanship with fresh and innovative thinking by creating a new design experience which has been recognised both nationally and internationally.

LINNÉA ART RESTAURANT

Linnéa Art Restaurant opened its doors in the spring of 2010 and is a tasteful blend of gourmet restaurant and art glass gallery. The restaurant serves innovative kitchen art rooted in classical cooking in an environment designed by some of Kosta Boda's most prominent art glass designers. Everything — the food, the art, the furniture, the bathroom sinks — is here to give you a world-class experience. Linnéa has ever since the start received excellent reviews from food critics at i.a. Swedish newspapers Göteborgs Posten and Dagens Industri.

KOSTA LINNEWÄFVERI

Kosta Linewäfveri creates textile products based on sustainable ideas from yesterday, but always with one leg in the present and future. Quality is the key word; for the selected materials as well as for the design and functionality. The products are presently sold in the Nordic markets. Main competitors are Gant, Himla, Klippan and Lexington.

ORREFORS JERNVERK

Orrefors Jernverk is exclusively manufactured classic metal products. The collection contains everyday items for the kitchen, as well as home decorations. Quality is very important to Orrefors Jernverk. All the products must be sustainable, timeless through inventive design and robust through good materials and well-tested manufacturing methods. Orrefors Jernverk is presently available in the Nordic markets and its main competitors are Alessi, Design House Stockholm, Georg Jensen and Stelton.

SAGAFORM

Sagaform is joyful and innovative gifts for the kitchen and table settings. Indoors as well as outdoors. The products are favourably priced

for consumers looking for an everyday luxury gift for someone else as well as for themselves. The Sagaform brand is distributed in both the retail and promo markets and efforts are focused on the Swedish domestic market where the goal is to become the leading supplier in the product segment for joyful and innovative gifts. In the export area, the other Nordic countries as well as the Benelux countries, France, Germany and Great Britain are the main priority. In the USA, the company aims for growth with the supports of the strong presence of Cutter & Buck, Kosta Boda and Orrefors. Principal competitors include Eva Solo, Iittala and Meny, but also the chain store's own brands.

SEA GLASBRUK

SEA Glasbruk develops and designs glass for everyday use for homes and public places. The products are colourful and functional with a design that stands out. SEA Glasbruk products are mainly sold in Sweden through specialised stores and promo companies. Norway and the USA are the brand's strongest export markets. SEA's ambition is to grow strong in the domestic market and strengthen its position in Norway and the USA.

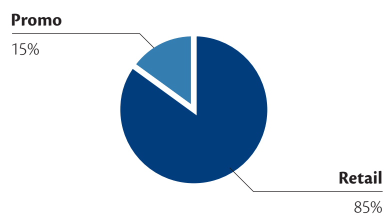
SALES CHANNELS

The Swedish retail sector is undergoing a major reconstruction where we see consumer interest in traditional glass and ceramics falling in favour of design and home decorating shops. The expansion of online shopping is another strategically important aspect where the shift in customers' buying patterns demands completely different availability than previously. Some of the Kosta Boda, Orrefors and Sagaform brand's sales activities target the promo markets where the products are used as everything from simple gifts to exclusive anniversary gifts and mementos. Kosta Boda and Orrefors uphold their position as an interesting alternative for occasions warranting high-class objects. Sagaform's products are popular as Christmas and summer gifts to employees and customers.

CAPITAL TIED UP

Production in Orrefors Kosta Boda is conducted throughout the entire year, while sales occur primarily during the second half of the year. Consequently, tied up capital is most considerable the first part of the year. Most of the production involves classic and popular products like Château, Intermezzo, Line, Mine and others with a product cycle in excess of 20 years, which reduces the risk of obsolescence. For the part not in-house manufactured, most purchases are made against stock for later sale to customers. New Wave Group limits its foreign exchange risk by hedging about 50–80% of the purchasing costs. Sales are made to selected retailers, which limits bad debts. However, there is a higher concentration to fewer customers in the retail segment compared with the promo segment. In 2012, confirmed bad debt losses in the Gift & Home Furnishings operating segment made up 0.48% of sales. Many of the products are the same for both the promo and retail sales channels, which provides a significant spread of risk.

Turnover per sales channel



Environment and Ethics

It is important for New Wave Group to use business solutions which are not only economically advantageous, but also sustainable from a social and environmental perspective.

CODE OF CONDUCT

New Wave Group has a responsibility to ensure that our business operations, and the business operations of our suppliers, respect the legal provisions of different countries, as well as basic human rights and working conditions. New Wave Group works systematically with regard to supplier auditing, monitoring, and dialogue in order to ensure that our business operations are conducted in the most responsible manner possible with regard to people and the environment.

Since 2012, New Wave Group has been a member of the Business Social Compliance Initiative (BSCI), a global membership initiative led by the Foreign Trade Association (FTA) for companies seeking to improve working conditions throughout the global supply chain. Through our membership of BSCI, we have a common Code of Conduct which all members undertake to implement. The Code of Conduct is based on the most important international conventions — such as the ILO conventions and UN conventions on human rights — and includes such items as the prohibition of child labour, forced labour and discrimination, as well as regulations regarding remuneration and working hours.

The Code of Conduct is an important part of the New Wave Group's efforts to improve working conditions and the competitiveness of our suppliers. The Code of Conduct consists of an agreement on the basic requirements that shall apply to all facilities involved in the production of New Wave Group's products. Membership of BSCI provides us with the opportunity to cooperate with other companies which enhances the conditions for influencing the supply chain while the collective requirements contribute to increased transparency and efficiency for our suppliers.

New Wave Group's subsidiary, Cutter & Buck, is a member of the Fair Labor Association; an international organisation composed of industries, civil organisations, and universities which also work to improve the social situation and working conditions in manufacturing nations worldwide. New Wave Group also sells products from licensed brands. Several of these brands work in an identical way to New Wave Group; actively and responsibly with regard to society and the environment.

DIRECT TRADE AND THE SER ORGANISATION

New Wave Group's procurement strategy is based on purchasing directly from the manufacturer through the Group's procurement agencies. New Wave Group has four procurement agencies in Asia which are responsible for day-to-day contact with suppliers, and making quality control checks and inspections in order to ensure that we deliver high quality products that are safe. The Group's Social & Environmental Responsibility Team (SER) is managed from the main procurement agency in Shanghai and employs full-time inspectors and regional managers distributed across the procurement agencies. The Group has more than 30 trained quality controllers in Asia who conduct visual inspections of the facilities, in some cases daily. Having quality controllers and SER staff on site at the facilities is a strength which helps us to create an efficient management system for the Group's efforts with regard to ethics and the environment. Every year, a great number of inspections are conducted at our facilities in order to ensure that the Code of Conduct is being complied with.

Despite full access and control being a basic requirement of a supplier, this is sometimes difficult to achieve as a global production chain contains many steps. The fact that New Wave Group is represented locally facilitates closer cooperation with our suppliers and gives the Group good control over various aspects of production.

CONTINUOUS IMPROVEMENT

The Group's supplier strategy is to create long-term relationships with our suppliers. In this way, New Way Group wants to become recognised as an important and reliable client which can benefit from the advantages that come with such recognition. It is important to be aware that the laws and cultural conditions under which our facilities across the globe operate vary. Sustainability work never ends, and New Wave Group is striving to continually improve cooperation with our suppliers.

To this end, New Wave Group is working on supplier monitoring, both through our membership of BSCI in which audits are conducted by independent, accredited auditing firms, as well as through our internal control systems. Regular checks allow us to identify and detect problems in time. If shortcomings are discovered, the Group's strategy is to isolate the problem and develop an action plan in order to bring the supplier back to an acceptable standard rather than to immediately cease cooperation with the supplier. Such measures mean that New Wave Group can achieve the highest compliance levels possible with regard to the Group's strict minimum requirements while contributing to significant social progress in the countries of manufacture.

ENVIRONMENT

New Wave Group understands how our business operations are so closely related to local and global environmental issues. As the Group grows in size, and as more customers buy our products, our environmental impact will increase. For this reason, New Wave Group is striving to develop environmentally sustainable solutions with regard to transport, packaging, and manufacturing.

Transport and Logistics: Transport comprises a significant proportion of our environmental impact, and New Wave Group seeks in particular to develop and use the cleanest and most efficient methods of transport. In order to reduce our environmental impact, the Group's various companies club together as much as possible in their shipments from Asia. In addition to protecting the environment, environmentally sustainable solutions can also contribute to the streamlining of our operations. New Wave Group cooperates with some of the largest transport companies in the market which all have environmental programmes for their business operations. The evaluation of these environmental programmes is an important aspect of the procurement of freight services. New Wave Group is also a member of the "Clean Shipping Project", an initiative which aims to pressure shipping companies into using cleaner vessels. The project has developed a "Clean Shipping Index" which will assist companies in evaluating the environmental impact of their choice of freight forwarders and shipping companies. The Group seeks to confine the use of air transport only to those situations in which it is absolutely necessary, as it has a considerable environmental impact.

Packaging: The manufacturing units use recycled materials such as plastic bags and cardboard boxes to transport their products as well as to reduce and eliminate all unnecessary packaging.

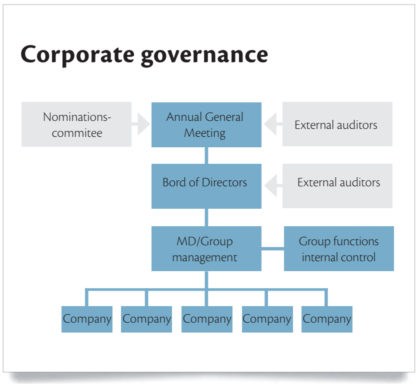
Use of chemicals:New Wave Group wants to offer products which are safe and free of banned substances. Consequently, all of our suppliers have to follow the requirements and restrictions for chemical products as stated in the Group's chemicals list. The list has been designed in accordance with current legislation, such as REACH, and takes into account the various industry recommendations and standards. The chemicals list is continually updated by the Group's own laboratories in Asia, and with the help of external lab partners. We strive to comply with the strictest applicable levels, to ensure that restrictions are followed, and that regular quality control checks and tests are carried out. The Group is working to reduce, replace, and eliminate environmentally-harmful chemical products.

Green manufacturing: New Wave Group's objective is to introduce more sustainable and environmentally-friendly products by using materials such as organic cotton and recycled textiles. Part of this is New Wave Group's membership of the "Textile Exchange", an international organisation which works towards the responsible expansion of the textile industry across the globe, with a particular focus on organic cotton. The Group also imposes strict requirements on our suppliers with regard to the humane treatment of animals, including a guarantee that feathers plucked from live birds are not used in any product.

The Group's Code of Conduct requires that all manufacturing units have established methods and standards for waste management, the handling and destruction of chemical products and other harmful materials, and that the treatment of waste water shall meet the applicable environmental legislation. The outcome of these efforts represents the framework for the Group's global activities for minimising out environmental impact..

Corporate governance

New Wave Group applies the relevant rules laid down in the Swedish Code of Corporate Governance (“the Code”) and the Swedish Accounts Legislation. The company’s Board has thus drawn up this corporate governance report. More information about the Code may be found at www.bolagsstyrningskollegiet.se, where there is also a description for foreign investors.



Responsibility for management and supervision of the Group is delegated between the shareholders at the Annual General Meeting, the Board and the Managing Director, which is done in accordance with the Swedish Companies Act, other legislation and regulations, applicable rules for listed companies, the company’s articles of association, the Board’s internal rules of procedure and other internal control instruments.

Shareholders

At the end of 2012, the company had 13,487 shareholders. The proportion of share capital owned by institutions amounted to approximately 43% of the capital and 11% of the votes. Foreign investors owned approximately 16% of the share capital and 4% of the votes. The 10 largest owners had a total holding corresponding to 62% of the share capital and 90% of the votes. For further information on the owners as at 31 December 2012, please see pages 34–35.

Annual General Meeting

The highest decision-making body is the Annual General Meeting (AGM), at which all shareholders are entitled to participate. The AGM is entitled to make decisions on all matters that are not in breach of Swedish law. At the AGM the shareholders exercise their voting rights to make decisions on the composition of the Board of Directors, the auditors and other important matters such as adoption of the company’s balance sheet and income statement, appropriation of profits as well as deciding to grant the Board of Directors and the Managing Director discharge from liability. This is in accordance with New Wave Group’s articles of association and Swedish legislation.

2012 Annual General Meeting

The AGM for shareholders of New Wave Group was held on 15 May 2012 in Kosta. Anders Dahlvig was elected chairman of the meeting.

The following resolutions were passed:
The AGM adopted the income statement and balance sheet, as well as the consolidated income statement and balance sheet, resolved to appropriate profits in accordance with the proposed appropriation of profits including a dividend of SEK 1 per share to take place for the 2011 financial year, and discharged the Board members and CEO from liability.

In accordance with the Nomination Committee’s proposals, the AGM resolved:

- that there shall be six (6) Board members elected by the AGM, and no deputies will be appointed
- that remuneration to the Board is to amount to SEK 810,000, of which SEK 270,000 goes to the Chairman of the Board, and SEK 135,000 to each of the other Board members — who are not employed in the Group — elected by the general meeting of shareholders.
- that Directors’ remuneration may be paid to the Board member’s Company provided that it is cost-neutral for the Company, and in accordance with tax legislation
- that Torsten Jansson, Mats Årjes, Göran Härstedt, Christina Bellander and Helle Kruse Nielsen (all re-elected) are appointed as Board members
- that Anders Dahlvig is appointed as Chairman of the Board (re-elected)
- that remuneration to auditors shall be paid according to approved calculations and agreements
- to re-elect Ernst & Young AB as auditors until the close of the 2013 Annual General Meeting 2013
- on the principles for the appointment of a new Nomination Committee

In accordance with the Board of Directors’ proposals, the AGM resolved:

- on guidelines for remuneration to senior management
- to authorise the Board to make decisions regarding share issues
- to authorise the Board to raise financing

Complete information about the 2012 AGM is available on the website, www.nwg.se.

2013 Annual General Meeting

The annual shareholders meeting will be held on 7 May 2013 at 1 pm at the Kosta Boda Art Hotel in Kosta, Sweden.

Nomination committee

The nomination committee represents the company’s shareholders. Its task is to create as sound a basis as possible for decisions at the AGM and to put forward proposals for matters such as the appointment of the Board of Directors and the auditor, and for remuneration to these parties. The nomination committee consists of one representative for each of the company’s three biggest shareholders, chosen on the basis of personal qualities. If any of these shareholders decline to appoint a member of the nomination committee, the next shareholder in terms of size is given the opportunity to appoint a member. Information regarding the composition of the nomination committee is normally published in the interim report for the third quarter. The work of the nomination committee is predicted by a questionnaire-based evaluation of the Board of Directors’ work and current members. The composition of the nomination committee, before the election of Board members at the 2013 AGM, is as follows:

- Arne Lööw, representative of Fjärde AP-fonden and the committee’s chairman
- Torsten Jansson, managing director and representative of Torsten Jansson Förvaltnings AB

- Kenneth Andersen, representative of Home Capital

As per the Code, the managing director or other company executive can not be a member of the nomination committee. Torsten Jansson is a member as principal owner and a deviation from the Code has thus been made.

The nomination committee represents around 86% of the votes in New Wave Group as at 31 December 2012. All shareholders are able to contact the nomination committee to propose candidates to the Board. The nomination committee has held a number of meetings and in between these meetings maintained contact by phone and e-mail. Among its many tasks, the nomination committee has evaluated the Board of Directors on the basis of the company's future development and challenges in order to achieve a good combination of expertise and experience.

Independence of the Board

The New Wave Group Board is subject to the requirements for independence described in the Code. The requirements mainly involve that only one person from the company's management may be a member of the board, that a majority of the elected members of the board shall be independent of the company and its management, and that at least two of the elected members who are independent of the company and its management should also be independent of the company's major shareholders.

As Managing Director and major shareholder of New Wave Group, Torsten Jansson is considered to be dependent on the company and the company management. Göran Härstedt is considered to be dependent in relation to the company's major shareholder. Anders Dahlvig, Christina Bellander, Helle Kruse Nielsen and Mats Årjes are considered to be independent in relation to both the company and the company's major shareholder. It is thus the opinion of the nomination committee that the current composition of the New Wave Board satisfies the requirements for independence laid down in both the Code and in the rules and regulations of NASDAQ OMX Stockholm for issuers. For a detailed presentation of the Board, Board Members assignments and securities holding in New Wave Group, please refer to page 38.

The Board and its work

The Board of New Wave Group consists of six members elected by the AGM. The Board's working procedures are defined in the rules of procedure, which regulate the delegation of responsibility between the Board and the MD, the MD's authority, the meeting schedule and reporting routine. The Board meetings deal with budgets, interim reports, year-end accounts, state of business, investments and new launches. They also deal with general issues relating to the long-term business strategy as well as structural and organisational issues.

The working language of the Board's meetings and documentation is Swedish. As a rule, between seven and ten Board meetings are held each year. During 2012, the Board met on ten occasions. Göran Härstedt is the Board's secretary.

The Chairman organises and leads the Board's work so that this is carried out in accordance with the Swedish Companies Act, other legislation and regulations, applicable rules for listed companies, Including the Code, and the Board's other internal control instruments. The Chairman follows operations in dialogue with the Managing Director and is responsible for other Board members receiving the information required to complete the Board's tasks.

Audit committee

There is no specially appointed audit committee as the Board in its entirety handles its control tasks. After the auditors' review in October, the company's auditors draw up an audit memo to the Board containing comments about individual companies and the Group as a whole. The auditors also present a personal report of their observations from the audit, their appraisal of the companies' internal control and the application of accounting policies at one of the autumn Board meetings. The Board receives continuous information about internal control and compliance with rules, control of audited values, estimates, assessments and other matters that might influence the quality of the financial reports. It is the job of the Group's auditor to audit the companies' ability to comply with the overriding rules for internal control within the companies. The auditors also report their observations about internal control..

Board	Attendance	Independent	Compensation
Anders Dahlvig, chairman	10/10	x	270,000
Christina Bellander	10/10	x	135,000
Göran Härstedt	10/10		135,000
Helle Kruse Nielsen	10/10	x	135,000
Mats Årjes	10/10	x	135,000
Torsten Jansson, Managing Director	10/10		0
Total			**810,000**

Remuneration committee

There is no specially appointed remuneration committee to deal with wages, pension benefits, incentives and other employment-related conditions for the Managing Director. These issues are dealt with by the Board as a whole without the participation of Board member part of company management. The employment conditions of other members of Group management are determined by the MD and the Chairman of the Board.

Remuneration to the Group Managing Director and other members of Group management comprises fixed salaries at competitive market rates.

New Wave Group's compensation policy for senior executives:

- Variable remunerations such as bonuses may be paid when this is justified in order to be able to recruit and maintain key staff so as to stimulate improvements in sales and profits as well as the work involved in achieving specific key figures set by the Board. Variable remunerations shall be based on predetermined, measureable criteria such as performance of the New Wave Group or return on equity compared to fixed targets. The variable remuneration shall not exceed 50% of the fixed remuneration.
- The Board shall in respect of each financial year consider whether a share or share price related incentive program which covers the year in question shall be proposed to the AGM or not. The AGM makes the final decision regarding such incentive programs.
- There shall be no special fee for Board work in Group companies for senior executives.
- Pension benefits shall be equivalent to an ITP plan or, for senior executives outside Sweden, pension benefits which are standard in the relevant country.
- A mutual notice period of no more than six months and no severance pay shall apply for all senior executives.

Conditions of Employment for the MD

Remuneration to the Group MD comprises a fixed salary. No Board member's fee or other remuneration (bonuses) is paid to the MD. Pension benefits are paid in accordance with the ITP plan. A mutual notice period of six months applies for the MD, i.e. no severance pay.

Remuneration to the Board

The AGM decides on the fee for the Board members who are elected by the AGM. The division of the fee between the Chairman and other members is set out in note 6 for the Group in the annual report. The Group has purchased consultancy services from a Board member and related parties. No further remuneration has been paid to any Board member.

Outstanding subscription options
In previous years the Group has offered subscription options with a term of around three years. These programmes mean that senior executives are offered the opportunity to acquire subscription options on competitive market terms. Competitive market terms are defined as the market value at the time of acquisition, calculated according to the Black & Scholes valuation method.

New Wave Group has one outstanding subscription option program.

This program was introduced for the Board in July 2008. The option program consists of 200,000 options, expires in June 2013 and has an exercise price of SEK 85.40. The option subscription premium was SEK 0.88 per option.

Acquired premiums for the above program have been based on market value.

Company management
The Group's Board appoints the Managing Director of the parent company, who is also the CEO. The MD is responsible for the ongoing supervision of the Group and other members of the Group management report directly to him. The Group management consists of: MD, vice MD, Chief Financial Officer, Chief Buying Officer, Regional Manager North America, Operational Segment Manager Corporate Promo Northern Europe, Corporate Legal Counsel and Internal Auditor. The MD is responsible for the other operational segments.

Group management is responsible for formulating the Group's overall strategy, corporate governance, policies, the Group's financing, capital structure and risk management. They also deal with matters relating to company acquisitions and projects involving the Group as a whole.

For a more detailed presentation of management's assignments and holdings in New Wave Group refer to page 39.

Internal control and risk management relating to the financial reporting for the 2012 financial year

General
According to the Swedish Companies Act, the Board is responsible for internal control. The aim of internal control is to create a clear structure of responsibility and an effective decision-making process. The Board has defined a number of basic documents of importance for financial reporting in order to guarantee an effective control environment. The Board's rules of procedure and the instructions for the Managing Director serve to guarantee a clear allocation of roles and responsibilities, with the aim of operational risks being managed effectively. The Board has also drawn up a number of basic guidelines and policies that are important for internal control, such as a financial policy, instructions for accounting and reporting, employee handbook and a communications policy. The basic control documents are subject to review on an ongoing basis. An effective control environment also requires an adequate organisational structure and ongoing reviews of this. Company management reports to the Board on a regular basis following defined routines. Company management is responsible for the system of internal controls that is required to deal with significant risks in operating activities. Managers at various levels within the Group have clearly defined authority and responsibilities with regard to internal control.

Operating segments
The Groups divides its operations into three operating segments: Corporate Promo, Sports & Leisure, and Gifts & Home Furnishings. Within Group management there are people with responsibility for each operational segment in order to coordinate operations. The products follow the operational segments, but have separate sales teams for the different sales channels, promo and retail.

Sales channels
The Group's products are sold via two sales channels, promo and retail.

Concept groups
Within each operational segment there are a number of concept groups responsible for strategic direction, product development and marketing strategy for one or more brands.

Financial risk assessment
The material risks New Wave Group have identified in connection with the financial reporting are inaccuracies in the reporting and valuation of stock, intangible assets, accounts receivable, interest-bearing liabilities, tax, currencies and the risk of fraud, loss or embezzlement of assets. The greatest financial risks in terms of value in the balance sheet are:

- Stock, which accounts for around 37% of the value of the Group's assets
- Intangible assets (goodwill and trademarks), which account for 26% of the value of the Group's assets
- Accounts receivable, which account for around 16% of the value of the Group's assets
- Interest-bearing liabilities, which account for around 39% of the Group's balance sheet total

Control environment
The foundations of the internal control in relation to the financial reporting consist of the general control environment with organisation, decision-making paths, authority and responsibilities that have been documented and communicated. Within New Wave Group some of the most important constituent parts of the control environment are documented in the form of policies, e.g. IT policy, financial policy, environmental policy and instructions, such as authorisation instructions and a reporting manual.

Control activities
In order to ensure the internal control works, there are both automatic controls in e.g. IT based systems, which handle authority and authorisation rights, and also manual controls in the form of e.g. reconciliations and physical counts. Detailed economic analyses of the result plus follow-up of plans and forecasts supplement the controls and provide a general confirmation of the quality of the reporting.

The Group performs regular reviews of the companies' routines and accounting methods, which are reported to Group management. No MD's are permitted to appoint or dismiss a finance manager, and finance managers report directly to the Group's CFO. The Group's risks with regard to financial reporting lay in the risk that material misstatements may occur when reporting the company's status and financial results. The company's accounting instructions and manuals, together with established follow-up routines, serve to minimise these risks.

Information and communication
The most important control documents in the form of policies and instructions are updated regularly and communicated via relevant channels electronically and/or in printed form. For communication with external parties, there is an information policy which specifies guidelines for how this communication should take place. The purpose of the policy is to ensure that all information obligations are fulfilled correctly and in full.

Follow-up
Finance personnel and management at company and Group level analyse the financial reporting in detail every month. The Group's central support staff is responsible for implementing, further developing and maintaining the Group's control routines, and for performing internal controls of business-critical matters. New Wave Group's privatised structure involves a comprehensive

controller-based organisation, which is responsible for ensuring that financial reporting from each unit is correct, complete and on time. New Wave Group has introduced a control system to verify the various processes and to guarantee financial reporting. The controls in respect of the various processes and risk elements are evaluated by means of self-assessment, internal audits, internal Board meetings and via the company's external auditors. Most processes are fully or partly centralised at Group level, such as purchasing, logistics, payments, financing, IT, the consolidation and compilation of Group reports. The Board receives financial reports on an ongoing basis, and at each Board meeting they discuss the financial situation facing the Group and the various companies. During the year the Board has also received reports from the company's auditors detailing their observations.

The companies

New Wave Group's organisation is decentralised, with a high degree of independence and self-determination being delegated to company management. The objective is for the companies to be run in an entrepreneurial spirit, while at the same time enjoying the benefits of belonging to a large group of companies. The Group therefore consists of a large number of operational companies, 50 in total, some of which belong to sub-groups. Board meetings are held about three times a year in each company or sub-group. The composition of the Boards depends on the company's direction and its stage of development. In addition to Group management, the expertise of MDs in "mature" companies is utilised on the Boards of local subsidiaries. The organisational model chosen by New Wave Group provides for effective benchmarking of profitability, tied-up capital and growth between companies, brands and markets. New Wave Group has also set up internal targets for the companies.

Internal auditing

There is no specially appointed audit committee as the Board in its entirety handles its control tasks. The company has developed control and internal control systems, with business controllers at different levels within the company responsible for following up compliance on a regular basis. The Board's methods of monitoring the company's assessment of the internal control include contact with the company's auditors.

Auditor

At the 2012 AGM, the accountancy firm Ernst & Young AB was appointed as auditor. Björn Grundvall is the head auditor and his other public engagements include Wallenstam AB, Kappahl AB, Artimplant AB, Götenehus Group AB and the Sjätte AP fund, as well as assignments from Nasdaq OMX Stockholm as an stock exchange auditor. Björn Grundvall owns no shares in New Wave Group.

Audit work

The Group applies International Financial Reporting Standards (IFRS) when preparing the Group's reports. The Group's interim report for the third quarter is the subject of a general review by the company's auditor. This review follows the recommendations issued by FAR SRS, the organisation for authorised public accountants. The audit of the annual report, consolidated financial statements, the accounting records and the administration of the Board and Managing Director is conducted in accordance with generally accepted auditing standards in Sweden.

Articles of association

The articles of association are adopted by the AGM and contain fundamental facts about the company, e.g. what kind of business the company will run, the size of the share capital, the number of shares issued, the size of the Board of Directors and the procedure for convening the AGM. The company's articles of association state, among other things, that the Board of Directors shall consist of at least three and no more than seven members, that the Board has its registered office in Göteborg, and that a class A share shall carry ten votes and a class B she one vote. The complete articles of association are available at the New Wave Group website, www.nwg.se.

Policy documents

New Wave Group has a number of policies for the Group's operations and its employees. The Group also has a number of recommendations which specify guidelines and supervision for the Group's operations and its employees. Examples of policy content are as follows:

Financial policy

The Group's finance function works according to an instruction given by the Board which sets out frameworks for how the Group's operations shall be financed and how, for example, currency risks and interest rate risks shall be dealt with.

IT policy

The Group's IT policy describes the Group's principles for application and safety within IT.

Communication policy

The Group's communication policy is a document that describes the Group's general principles for providing information.

Environmental policy

The Group's environmental policy sets out guidelines for the environmental work within the Group.

Göteborg on 3 April, 2013
New Wave Group AB (publ)

Torsten Jansson
MD and CEO

Anders Dahlvig
Chairman of the Board

Helle Kruse Nielsen
Board Member

Christina Bellander
Board Member

Göran Härstedt
Board Member

Mats Årjes
Board Member

The auditor's statement regarding the corporate governance report

To the Annual General Meeting of New Wave Group AB, organisation number 556350-0916

The Board is responsible for the Corporate Governance Report 2012 on pages 30–33 and that it is prepared in accordance with the Swedish Annual Accounts Act.

To support our statement that the Corporate Governance Report has been prepared and is consistent with the Swedish Annual Accounts Act and financial statements, we have read the Corporate Governance Report and assessed its statutory contents based on our knowledge of the company.

It is our opinion that a Corporate Governance Report has been prepared and that its statutory information is consistent with the Annual Report and financial statements.

Göteborg on 3 April, 2013,
Ernst & Young AB

Björn Grundvall
Authorised Public Accountant

The share

The New Wave Group share

The share capital in New Wave amounted to SEK 199,030,629 distributed among a total of 66,343,543 shares. Each with a nominal quota value of SEK 3.00. The shares carry identical rights to the Company's assets and profits. Each Series A share is entitled to then votes and each Series B share is entitled to one vote. New Wave's Series B shares are listed at OMX Stockholm Mid Cap.

Dividend policy

The Board's objective is that distribution to shareholders be the equivalent of 40% of Group net profit after taxes over one business cycle.

Shareholders

The number of shareholders amounted to 13,487 (15,820) on 31 December, 2012. Institutional investors accounted for 43% of the capital and 11% of the votes. At the same time the ten largest shareholders held 62% of the capital and 90% of the votes. Non-Swedish shareholders accounted for 16% of the capital and 4% of the votes.

NEW WAVE GROUP'S TEN MAJOR SHAREHOLDERS 2012-12-31

SHAREHOLDER	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson through companies	22 590 697	208 959 817	34.1%	82.7%
Home Capital	3 832 143	3 832 143	5.8%	1.5%
Avanza Pension	3 480 117	3 480 117	5.2%	1.4%
Fjärde AP-Fonden	3 456 127	3 456 127	5.2%	1.4%
Länsförsäkringar Småbolagsfond	2 072 718	2 072 718	3.1%	0.8%
Handelsbanken fonder	1 526 135	1 526 135	2.3%	0.6%
Andra AP-Fonden	1 291 137	1 291 137	1.9%	0.5%
AMF	1 168 000	1 168 000	1.8%	0.5%
Lannebo Microcap	960 000	960 000	1.4%	0.4%
Nordea fonder	918 472	918 472	1.4%	0.4%
	41 295 546	**227 664 666**	**62.2%**	**90.1%**

Shareholder Distribution In New Wave Group 2012-12-31

	Number of shares	Number of votes	Capital %	Votes %
Sweden	55 791 748	242 160 868	84.1%	96.0%
Shareholders outside Sweden. excl. USA	8 945 379	8 945 379	13.5%	3.5%
USA	1 606 416	1 606 416	2.4%	0.6%
Total	**66 343 543**	**252 712 663**	**100.0%**	**100.2%**

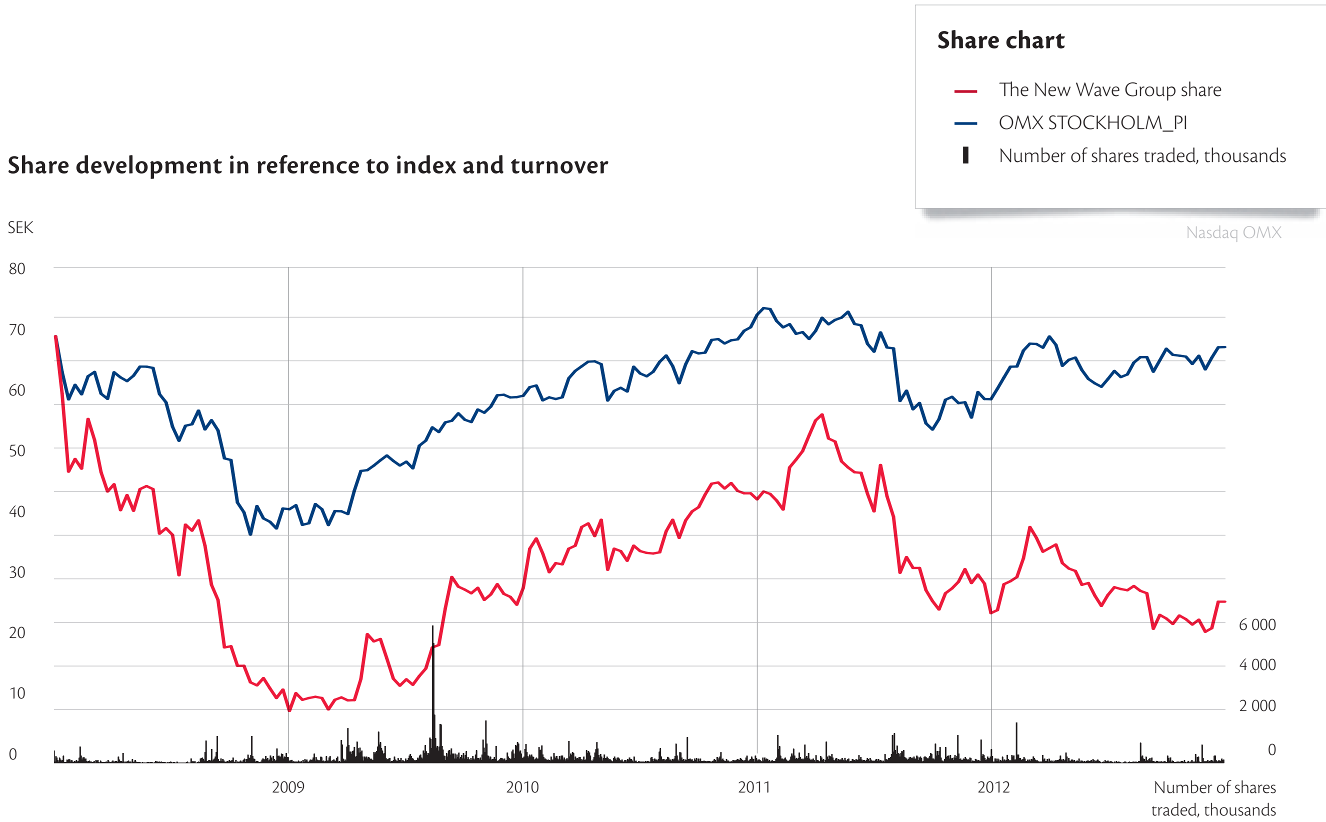
New Wave Group shareholder structure 2012-12-31

In due order	Number of shareholders	Number of shares	Share, %	Trade value, TSEK
1–200	6 023	510 848	0,77	12 771
201–1 000	4 653	2 782 049	4,19	69 551
1 001–2 000	1 298	2 148 141	3,24	53 704
2 001–10 000	1 244	5 680 459	8,56	142 011
10 001–	269	55 222 046	83,24	862 859
	13 487	**66 343 543**	**100,00**	**1 140 897**

New Wave B

Listed on the OMX Stockholm Mid Cap.

Share development in reference to index and turnover



Share capital development

Year	Transaction	Increase number of shares	Issue price	Increase share capital	Total number of shares	Total share capital, SEK	Face quota
1991	The company was founded	500	100,00		500	50 000	100,00
1995	Directed new issue 1:20[1]	25	35 524,00	2 500	525	52 500	100,00
1996	Bonus issue 37:1	19 475		1 947 500	20 000	2 000 000	
1997	Directed new issue 1:17[2]	11 448	600,00	114 480	211 448	2 114 480	10,00
	Bonus issue	0		2 114 480	211 448	4 228 960	
	Split 10:1	1 903 032			2 114 480	4 228 960	
	Directed new issue[3]	681 818	110,00	1 363 636	2 796 298	5 592 596	2,00
1998	Directed new issue[4]	201 106	114,40	402 212	2 997 404	5 994 808	2,00
2000	Directed new issue[5]	552 648	171,45	1 105 296	3 550 052	7 100 104	2,00
	Split 2:1	3 550 052			7 100 104	7 100 104	
2001	Directed new issue[6]	150 000	160,00	150 000	7 250 104	7 250 104	1,00
2002	Split 2:1	7 250 104			14 500 208	7 250 104	
2004	Bonus issue			166 752 392	14 500 208	174 002 496	12,00
	Directed new issue[7]	1 160 016	130,00	13 920 192	15 660 224	187 922 688	12,00
	Split 2:1	15 660 224			31 320 448	187 922 688	6,00
	Directed new issue[8]	226 886	88,15	1 361 316	31 547 334	189 284 004	6,00
2005	Directed new issue[9]	96 822	125,00	580 932	31 644 156	189 864 936	6,00
	Directed new issue[10]	614 732	52,00	3 688 392	32 258 888	193 553 328	6,00
	Split 2:1	32 258 888			64 517 776	193 553 328	3,00
2006	Directed new issue[11]	1 825 767	29,30	5 477 301	66 343 543	199 030 629	3,00

[1] New issue addressed to the owners of Licensprint i Orsa AB connected to the purchase of the company. The share premium reserve increased by SEK 886,000.
[2] New issue addressed to Group personnel. Subscription price SEK 600 per share. The share premium reserve increased by SEK 6,754,000.
[3] New issue connected to introduction on the Swedish Stock Exchange. Subscription price SEK 110 per share. The share premium reserve increased by SEK 69,089,000.
[4] Non-cash issue connected to the purchase of the Hefa Group. Price of issue SEK 114.40 per share. The share premium reserve increased by SEK 22,604,000.
[5] New issue addressed to the owners of Texet AB connected to the purchase of the company. The share premium reserve increased by SEK 94,242,000
[6] New issue addressed to the owners of Segerkoncernen AB connected to the purchase of the company. The share premium reserve increased by SEK 23,850,000.
[7] New issue addressed to the owners of New Wave Group. The share premium reserve increased by SEK 135,794,410.
[8] New issue addressed to the owners of Jobman AB connected to the purchase of the company. The share premium reserve increased by SEK 16,638,684.
[9] New issue addressed to the owners of the Dahetra Group connected to the purchase of the Group. The share premium reserve increased by SEK 11,521,818.
[10] New issue connected to exercise of option rights. The share premium reserve increased by SEK 28,221,388.
[11] New issue connected to exercise of option rights. The share premium reserve increased by SEK 48,017,672.

Addresses

AHEAD INC
270 Samuel Barnet Blvd
New Bedford, MA 02745
USA
Phone: +1 508 985 9898
Fax: +1 571 434 4620

CUTTER & BUCK INC
701 N. 34th Street, Suite 400
Seattle, WA 98103
USA
Phone: +1 206 622 41 91
Fax: +1 206 428 52 13

DAHETRA A/S
Niels Bohrs Vej 21
8660 Skanderborg
DENMARK
Phone: +45 86 57 28 00
Fax: +45 86 57 28 40

DESKTOP IDEAS LTD
Bridge House
Thame
OX9 3UH Oxfordshire
UNITED KINGDOM
Phone: +44 870 240 76 24
Fax: +44 870 240 76 25

DJ FRANTEXTIL AB
Åkarevägen 18
450 52 Dingle
SWEDEN
Phone: +46 524 283 70
Fax: +46 524 283 79

GC SPORTSWEAR OY
Kornetintie 6C
00380 Helsinki
FINLAND
Phone: +358 9 863 467 00
Fax: +358 9 863 467 11

GLASMA AB
Långgatan 22
361 31 Emmaboda
SWEDEN
Phone: +46 471 481 50
Fax: +46 471 333 91

HEFA AB
Orrekulla Industrigata 61
425 36 Hisings Kärra
SWEDEN
Phone: +46 31 712 56 00
Fax: +46 31 712 56 99

INTRACO TRADING BV
Noorddijk 88
1521 PD Wormerveer
THE NETHERLANDS
Phone: +31 756 47 54 20
Fax: +31 756 47 54 39

JOBMAN WORKWEAR AB
Box 2044
194 02 Upplands Väsby
SWEDEN
Phone: +46 8 630 29 00
Fax: +46 8 732 00 14

KOSTA FÖRLAG AB
380 40 Orrefors
SWEDEN
Phone: +46 478 345 20
Fax: +46 478 505 85

LENSEN TOPPOINT BV
Stationsweg 14 A
7691 AR Bergentheim
THE NETHERLANDS
Phone: +31 523 23 82 38
Fax: +31 523 23 82 00

NEW WAVE AUSTRIA GMBH
Mühlgraben 43D
6343 Erl
AUSTRIA
Phone: +43 5373 200 60
Fax: +43 5373 200 60 10

NEW WAVE DENMARK A/S
Banemarksvej 50E
2605 Brøndby
DENMARK
Phone: +45 43 43 71 00
Fax: +45 43 43 71 05

NEW WAVE FRANCE SAS
7 Rue Jean Perrin
69680 Chassieu
FRANCE
Phone: +33 4 786 631 58
Fax: +33 4 725 239 25

NEW WAVE GERMANY GMBH
Geigelsteinstrasse 10
83080 Oberaudorf
GERMANY
Phone: +49 8033 97 90
Fax: +49 8033 97 91 00

NEW WAVE GROUP BANGLADESH
House #60, Park Road
Baridhara, Dhaka 1212
BANGLADESH
Phone: +88 2 883 11 29
Fax: +88 2 883 32 72

NEW WAVE GROUP CHINA
4th Floor, Building E
No. 1978, Lianhua Road
Shanghai 201103
CHINA
Phone: +86 21 614 588 28
Fax: +86 21 640 179 25

NEW WAVE GROUP INDIA BUYING PVT LTD
1/32 Ulsoor Road Cross, Ulsoor Road
Bangalore 560042
INDIA
Phone: +91 80 407 110 00
Fax: +91 80 407 110 10

NEW WAVE GROUP S A
Chemin des Polonais 3
2016 Cortaillod
SWITZERLAND
Phone: +41 32 843 32 32
Fax: +41 32 843 32 33

NEW WAVE GROUP VIETNAM
L3 Dien Bien Phu Street
Ward 25, Dist. Binh Thanh
Ho Chi Minh City
VIETNAM
Phone: +84 8 351 210 88
Fax: +84 8 351 244 23

NEW WAVE ITALIA SRL
28 Via Togliatti Palmiro
z.i. Mirandolina
26845 Codogno (LO)
ITALY
Phone: +39 377 43 71 33
Fax: +39 377 43 71 44

NEW WAVE MODE AB
Åkarevägen 18
455 83 Dingle
SWEDEN
Phone: +46 524 28 300
Fax: +46 524 28 310

NEW WAVE SPORTS AB
Box 1774
501 17 Borås
SWEDEN
Phone: +46 33 722 32 00
Fax: +46 33 722 32 99

NEW WAVE NORWAY AS
Bjørnstadmyra 4
1712 Grålum
NORWAY
Phone: +47 69 14 37 00
Fax: +47 69 14 37 55

NEW WAVE SPORTSWEAR BV
Constructieweg 7
3641 SB Mijdrecht
THE NETHERLANDS
Phone: +31 297 23 16 70
Fax: +31 297 23 16 80

NEW WAVE SPORTSWEAR S A
Mallorca, S/N
Polígono Industrial Sud-Oest
08192 Sant Quirze del Vallés
Barcelona
SPAIN
Phone: +34 937 21 95 95
Fax: +34 937 21 95 35

OKB HOTELL & RESTAURANG AB
380 40 Orrefors
SWEDEN

ORREFORS KOSTA BODA AB
380 40 Orrefors
SWEDEN
Phone: +46 481 340 00
Fax: +46 481 303 7

ORREFORS KOSTA BODA INC
900 Liberty Place
Sicklerville, NJ 08081
USA
Phone: +1 856 768 54 00
Fax: +1 800 448 75 53

OY TREXET FINLAND AB
Juvan Teollisuuskatu 12
02920 Espoo
FINLAND
Phone: +358 9 525 95 80
Fax: +358 9 525 95 857

PARIS GLOVE OF CANADA INC
255 Montee De Liesse
Montreal, Quebec, H4T 1P5
KANADA
Phone: +1 514 345 0135
Fax: +1 514 342 7263

PAX SCANDINAVIA AB
Box 343
701 46 Örebro
SWEDEN
Phone: +46 19 20 92 00
Fax: +46 19 20 92 20

PROJOB WORKWEAR AB
Åkarevägen 18
455 83 Dingle
SWEDEN
Phone: +46 524 176 90
Fax: +46 524 176 95

SAGAFORM AB
Trandaredsgatan 200
507 52 Borås
SWEDEN
Phone: +46 33 23 38 00
Fax: +46 33 23 38 23

SAGAFORM INC
900 Liberty Place
Sicklerville, NJ 08081
USA
Phone: +1 856 626 13 40
Fax: +1 856 626 13 42

SEGER EUROPE AB
Röshult
520 10 Gällstad
SWEDEN
Phone: +46 321 260 00
Fax: +46 321 750 80

TEXET AB
Box 5004
194 05 Upplands Väsby
SWEDEN
Phone: +46 8 587 606 00
Fax: +46 587 606 83

TEXET BENELUX NV
Nieuwlandlaan 24 Box D
3200 Aarschot
BELGIUM
Phone: +32 16 57 11 57
Fax: +32 16 57 11 24

TEXET GMBH
Celler Strasse 1
27374 Visselhövede
GERMANY
Phone: +49 4262 95 98 40
Fax: +49 4262 95 98 499

TEXET FRANCE SAS
52 Rue du Capitaine Guynemer
92400 Courbevoie
FRANCE
Phone: +33 1 563 706 00
Fax: +33 1 563 70 601

TEXET POLAND SP. Z O.O.
ul. Lutycka 11
60-415 Poznań
POLAND
Phone: +48 61 868 56 71
Fax: +48 61 868 56 92

TOPPOINT GMBH
Hollandstrasse 7
48527 Nordhorn
GERMANY
Phone: +49 5921 81 99 30
Fax: +49 5921 81 99 33

TOPPOINT POLSKA SP. Z O.O.
ul. Lubuska 47
Płoty
66-016 Czerwieńsk
POLAND
Phone: +48 68 451 83 22
Fax: +48 68 451 83 21

UNITED BRANDS OF SCANDINAVIA LTD
Unit 1
Hirwaun Industrial Estate
CF44 9UP Hirwaun
South Wales
UNITED KINGDOM
Phone: +44 1685 81 28 11
Fax: +44 1685 81 50 90

X-TEND BV
Paxtonstraat 7
8013 RP Zwolle
THE NETHERLANDS
Phone: +31 38 850 91 00
Fax: +31 38 850 91 01

The Board of Directors

Anders Dahlvig, born 1957
Chairman of the Board since May 2009. Former MD and CEO of the IKEA Group (April 1999 to September 2009).
Other directorships: Member of the Board of H&M Hennes & Mauritz AB, Kingfisher plc, Oriflame SA and Resurs Bank Aktiebolag.
Holdings in the company, own and related parties: 20,000 class B shares.

Christina Bellander, born 1955
Member of the Board since 2009.
Other directorships: Chairman of the Board of Fabaris AB and the School of Education and Communication at Jönköping University, and Member of the Board of Novus Group.
Holdings in the company, own and related parties: 2,000 class B shares.

Göran Härstedt, born 1965
Member of the Board since 2009.
Other directorships: Chairman of the Board for a number of companies within the New Wave Group.
Holdings in the company, own and related parties: 1,000,000 class A shares and 568,000 class B shares.

Helle Kruse Nielsen, born 1953
Member of the Board since 2009.
Other directorships: Member of the Board of Gumlink A/S, Lantmännen ek för and Oriflame Cosmetics SA.
Holdings in the company, own and related parties: 5,000 class B shares.

Mats Årjes, born 1967
Member of the Board since 2007.
MD SkiStar AB. Other directorships: Chairman of the Swedish Ski Association, Member of the Board of SkiStar AB.
Holdings in the company, own and related parties: 10,000 class B shares and 50,000 class B share options.

Torsten Jansson, born 1962
MD and CEO. Founder and majority shareholder in New Wave Group AB. Member of the Board since 1991.
Other directorships: Chairman of the Board of Porthouse Interior AB and Member of the Board of Svensk Handel.
Holdings in the company, own and related parties: 20,707,680 class A shares and 1,883,017 class B shares.

Group Management

Torsten Jansson, born 1962
Managing Director and CEO. New Wave Group AB's founder and majority share holder.
Holdings in the company, own and related parties: 20,707,680 class A shares and 1,883,017 class B shares.

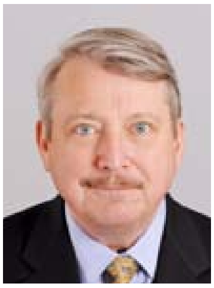
Lars Jönsson, born 1964
CFO. Employed since 2007.
Holdings in the company, own and related parties: 50,000 class B shares.

Magnus Rapp, born 1976
Corporate Legal Counsel. Employed since 2011.
Holdings in the company, own and related parties: 25,000 class B shares.

Patrick Fransson, born 1971
Internal Auditor. Employed since 2011.
Holdings in the company, own and related parties: 50,000 class B shares.

Magnus Claesson, born 1960
CBO. Employed since 2010.
Holdings in the company, own and related parties: Does not hold any securities in the company.

Tomas Jansson, born 1965
Northern Europe Manager Corporate Promo and Managing Director of New Wave Mode AB. Employed since 1993.
Holdings in the company, own and related parties: 20,000 class B shares.



Ernest Johnson, born 1951
Managing Director of New Wave Group USA Inc. Employed since 2007.
Holdings in the company, own and related parties: Does not hold any securities in the company.

Auditors

Björn Grundvall, born 1955
Authorised Public Accountant, Ernst & Young AB. Auditor of the company since 2012.

AGM

The Annual General Meeting (AGM) will take place on Tuesday 7 May 2013 at 1 pm at the Kosta Boda Art Hotel, Stora vägen 75, 360 52 Kosta, Sweden. Shareholders have the right to attend the AGM if they are registered in the copy of the share register made on 30 April 2013 and notify the company of their intention to attend the AGM by 12 noon on 30 April 2013 at the latest.

Nominee registered shares
Shareholders with nominee-registered shares must register their shares in their own name with Euroclear Sweden AB to be entitled to attend the AGM. This registration must be completed by 30 April 2013 and an application shall therefore be made to the nominee in good time before this date.

Notification
Notification of attendance at the AGM shall be made by letter or e-mail to:
New Wave Group AB
Orrekulla Industrigata 61
SE-425 36 Hisings Kärra
Sweden
bolagsstamma@nwg.se

The notification shall state:
The notification shall state name, personal identification number/company registration number and daytime phone number. Shareholders who wish to attend the AGM must have notified the company of this before 12 noon on 30 April 2013 when the notification deadline expires.

Issues
The issues prescribed by law and the articles of association, the below proposals for dividends and other issues mentioned in the notice to convene the meeting will be addressed at the AGM.

Dividend payment
The Board proposes to the Annual General Meeting a dividend for 2012 of SEK 1.00 per share, corresponding to a total of SEK 66,344 thousand. The Board has proposed 13 May 2013 as the record day for the dividend. This record day assumes payment of the dividend from Euroclear Sweden AB on 16 May 2013.

Cover image by Harvest.

New Wave Group AB (publ) Org nr 556350-0916
Orrekulla Industrigata 61, SE-425 36 Hisings Kärra
Telefon: +46 (0)31 712 89 00, Fax: +46 (0)31 712 89 99
info@nwg.se www.nwg.se

New Wave
GROUP

Financial information

Annual report 2012

Our brands

Corporate Promo

Sports & Leisure

Gifts & Home Furnishings

Financial information

Board of Directors' Report

The Board of Directors and CEO of New Wave Group AB (publ), 556350-0916, based in Gothenburg, hereby submit the financial statements and consolidated financial statements for the financial year 1 January 2012 to 31 December 2012.

OPERATIONS

New Wave Group is a growth company that creates, acquires and develops brands and products in the corporate promo, sports, gifts and home furnishings sector. The Group will achieve synergies by coordinating the design, purchasing, marketing, warehousing, and distribution of the product range. To ensure the good allocation of risks, the Group will offer its products in the promo market and the retail market.

New Wave Group's competitiveness lies primarily in its strong brands, considerable expertise, high level of service, and a well-developed overall concept. Products are primarily manufactured in Asia, and to a lesser extent in Europe. Thanks to its relative size, New Wave Group has good purchasing prices and efficient logistics. The Group's most well-known wholly-owned brands include AHEAD, Auclair, Clique, Craft, Cutter & Buck, Grizzly, James Harvest Sportswear, Jobman, Kosta Boda, Orrefors, PAX, ProJob, Sagaform, Seger, Toppoint and the licensed brands Speedo and Umbro.

INCOME STATEMENT

Income statements by quarter

SEK million	**2012**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Income	4 280.2	1 176.1	1 053.8	1 074.9	975.4
Goods for resale	-2 415.8	-615.7	-688.9	-580.0	-531.2
Gross profit	**1 864.4**	**560.4**	**364.9**	**494.9**	**444.2**
Gross profit in %	**43.6%**	**47.6%**	**34.6%**	**46.0%**	**45.5%**
Other operating income	35.1	9.7	7.4	9.5	8.5
External costs	-954.0	-223.0	-245.5	-238.3	-247.2
Personnel costs	-765.5	-181.9	-208.1	-189.2	-186.3
Depreciation and write-downs	-89.9	-11.9	-53.1	-13.0	-11.9
Other operating costs	-18.7	-3.1	-5.9	-5.9	-3.8
Share of associated companies' profit	1.7	1.5	0.4	0.7	-0.9
Operating profit	**73.1**	**151.7**	**-139.9**	**58.7**	**2.6**
Financial income	5.0	0.9	2.2	0.5	1.4
Financial costs	-63.2	-18.7	-16.1	-13.0	-15.4
Profit before tax	**14.9**	**133.9**	**-153.8**	**46.2**	**-11.4**
Tax	-9.1	-33.2	33.8	-12.9	3.2
Profit for the period	**5.8**	**100.7**	**-120.0**	**33.3**	**-8.2**

SUMMARY OF 2012

Consolidated sales amounted to SEK 4 280 million which was in line with the previous year (SEK 4 237 million). Units acquired during previous year — Ahead and Paris Gloves — contributed SEK 293 million, or 7%. Sales in the Corporate Promo segment fell by 9%. These lower sales are primarily related to weaker market conditions in the European regions, as well as in Sweden and the Nordic countries. Sales within Sports & Leisure increased by 15%, which is related to entities acquired last year. Excluding acquisitions, sales fell by 2%. In the U. S., sales at Cutter & Buck were in line with last year. Sales in Gifts & Home Furnishings fell by 8%, which is primarily related to weaker retail sales in Sweden, but export markets also saw a decline in sales. Of the Group's sales channels — promo and retail — promo fell by 9% while retail fell by 2% (excluding acquisitions).

The gross profit margin amounted to 43.6 (47.7) %. The margin was adversely affected by restructuring expenses in Orrefors Kosta Boda by 2.5%. Deteriorating market conditions and a change in the Group's mix of customers and markets also contributed to the negative effect.

The Group has continued to work on the cost level, and the cost-savings measures implemented have had a positive effect during the year. Excluding one-off expenses and units acquired last year, the Group's external costs are lower than last year while personnel costs are in line with last year.

Profits after tax amounted to SEK 5.8 (199.1) million, with the decline primarily related to restructuring costs and a lower gross profit margin.

New Wave Group AB and Orrefors Kosta Boda AB (OKB) decided on a comprehensive package of measures within OKB in order to create the conditions for immediate and long-term profitability in the company. Expenses for the agreed restructuring measures amounted to SEK 212 million and were set aside in Q3. From 2008 until Q3 2012, New Wave Group AB has covered losses in OKB of approximately SEK 300 million. Including this year's restructuring package , OKB has impacted the New Wave Group of companies by a total of approximately SEK 512 million. In light of the current economic turmoil and weak economy, we do not see any possibility of achieving acceptable profitability in the foreseeable future without a radical and vigorous package of remedial measures. The strong Swedish krona has worsened OKB's exports further.

The measures adopted mean that OKB has been transformed into a design and market-driven company which, in an organisational sense, closely resembles other companies and brands in New Wave Group. A thorough review of OKB's product range, pricing strategies, and purchasing channels is included in the scope of the restructuring package. The company is also planning a radical change of strategy with regard to its business model and brands, and is intending to increase investments in marketing. With the planned changes, New Wave Group expects OKB to return to profit from 2013 onwards. The objective is to ensure the survival of OKB and the ORREFORS and KOSTA BODA brands, and to create the conditions necessary for positive development in the future. As part of this, there is also the objective of ensuring the continued production of premium products and glass art in Sweden.

During the year, the Group has improved operating capital by SEK 160 million thanks to a reduction in stock and improved credit periods. This work will continue in 2013. Cash flow from operations increased by SEK 275.1 million to SEK 341.1 (66.0) million. Stock amounted to SEK 1 645 (1 974) million. Net debt decreased by SEK 280 million and amounted to SEK 1 517 (1 797) million. The debt/equity ratio amounted to 77.5 (85.9) % while net debt in relation to operating capital amounted to 77.3 (78.6) %.

Income

Revenues amounted to SEK 4 280 (4 237) million which was in line with the previous year. Units acquired last year accounted for 7% (SEK 293 million).

The Corporate Promo operating segment declined by 9%, primarily in the Nordic countries and Europe. Sports & Leisure revenues increased by 15%, to which the entities acquired last year contributed positively by 17%. Excluding acquisitions, sales declined. This is related to the retail sales channel. Revenues in Gifts & Home Furnishings decreased by 8%. The operating segment is reducing its sales both in Sweden and in export markets.

Revenues in Sweden fell by 10% compared with last year, with a decline occurring within both sales channels. Sales in the USA increased by 24%, to which the entities acquired last year contributed positively by 21%. In the other Nordic countries, there were declines in Finland and Norway. Central and Southern Europe were adversely affected by deteriorating market conditions.

Gross profit
The gross profit margin amounted to 43.6 (47.7) %. The margin was adversely affected by restructuring expenses in Orrefors Kosta Boda by 2.5%. In addition, the decline is primarily related to deteriorating market conditions, as well as a changed mix in the Group's customers and countries.

Other operating income and other operating expenses
Other operating income fell by SEK 4.3 million to SEK 35.1 (39.4) million. Other operating income is attributable primarily to foreign exchange gains but also invoiced reimbursement of expenses, and should be compared to the income row "Other operating expenses", in which the business' foreign exchange losses are reported. Other operating expenses fell by SEK 6.1 million and amounted to SEK -18.7 (-24.8) million.The net of the above items amounted to SEK 16.4 (14.6) million.

Expenses and depreciation
External expenses decreased by SEK 16.5 million and amounted to SEK -954.0 (-970.5) million. Restructuring expenses and units acquired last year had an effect on expenses amounting to SEK -84.4 million. Last year was adversely affected by an item affecting comparability of SEK 23.5 million. Excluding items affecting comparability and acquisitions, external expenses are lower thanks to savings having been made.

Personnel costs amounted to SEK -765.5 million, which is SEK 74.4 million higher than last year (SEK -691.1 million). Restructuring expenses and units acquired last year had an effect on expenses amounting to SEK -83.5 million. Last year was adversely affected by an item affecting comparability of SEK 7.0 million. Excluding items affecting comparability and acquisitions, personnel costs are in line with last year.

Depreciation and write-downs amounted to SEK -89.9 (-50.6) million, including restructuring expenses of SEK -40.0 million.

Operating profit
Operating profit amounted to SEK 73.1 (326.9) million, including restructuring expenses of SEK 212.0 million. Last year was adversely affected by one-off expenses amounting to SEK 30.5 million. The operating margin amounted to 1.7 (7.7) %. Excluding restructuring expenses related to Orrefors Kosta Boda, the operating margin amounts to 6.7%.

Net financial income/costs and taxes
Net financial income/costs amounted to SEK -58.2 (-51.0) million.The increase is attributable primarily to the acquisitions of Ahead and Paris Gloves last year which amounted to SEK 255 million. The Group's policy is to have short fixed-rate interest periods, which means that fluctuating short-term interest rates have a rapid impact on the Group's net interest income.

Tax expenses in absolute terms amounted to SEK -9.1 (-76.8) million. The higher tax rate for the current year is due to elements of the restructuring expenses not being included in taxable income.

Profit for the year
Profit for the year amounted to SEK 5.8 (199.1) million, and earnings per share amounted to SEK 0.08 (2.99). The decline in profit is prim-arily related to restructuring expenses that had an impact of SEK -161.5 million. In addition to restructuring expenses, lower revenues (excluding acquisitions) and a lower gross profit margin have had a negative impact. Cost-saving measures have been put in place and have had a positive outcome. Acquired units contributed SEK 7.8 million. Last year was adversely affected by items affecting comparability amounting to SEK 21.7 million.

OPERATING SEGMENT REPORTING
The operating segments are based upon the Group's operational governance. New Wave Group AB divides its operations into the following segments: Corporate Promo, Sports & Leisure, and Gifts & Home Furnishings. The Group monitors the sales and profit/loss (EBITDA) of the operating segments.

Corporate Promo
Revenues decreased by 9% to SEK 1 675 (1 835) million, and profit (EBITDA) amounted to SEK 159.0 (251.7) million.The lower revenues are due to a weakened Corporate Promo market in Europe and the Nordic countries which has also adversely affected profits and operating margins. Last year's profits were adversely affected by an item affecting comparability of SEK 23.5 million.

Sports & Leisure
Revenues in this operating segment increased by 15% to SEK 1 983 (1 724) million, while profits (EBITDA) fell by SEK 15.5 million to SEK 161.8 (177.3) million. The increase in revenues is due to the units acquired last year with revenues of SEK 293 million over the period. The lower profits are related to a lower gross profit margin within the retail sales channel, as well as a greater investment in sales and marketing. The acquired units affected profits by SEK 17.1 million.

Gifts & Home Furnishings
Revenues fell by 8% to SEK 623 (678) million and losses (EBITDA) increased by SEK -106.3 million to SEK -157.8 (-51.5) million. The decrease in revenues is related to Orrefors Kosta Boda. The increase in losses is related to the aforementioned restructuring expenses in Orrefors Kosta Boda which had an impact of SEK -172.0 million. Excluding these expenses, EBITDA improved thanks to the savings measures implemented. Last year, the segment was adversely affected by a one-off expense amounting to SEK 7.0 million.

Package of measures within Orrefors Kosta Boda AB
New Wave Group AB and Orrefors Kosta Boda AB (OKB) have decided on a comprehensive package of measures within OKB in order to create the conditions for immediate and long-term profitability in the company.

As a consequence of this package, OKB will reduce its number of employees by 105 at the Company's permanent establishments in Sweden (Orrefors, Kosta, and Åfors). This reduction in staff will occur primarily in manufacturing, but also other departments in the Company is covered by the cutbacks.

The effects of the adopted restructuring measures amount to SEK 212.0 million. The amount was set aside in Q3 and is distributed across the following primary individual items:

Severance pay, etc.	SEK 40 million
Write-down of stock	SEK 109 million
Write-down of property	SEK 20 million
Write-down/disposal of machinery/equipment	SEK 20 million
Write-down of accounts receivable	SEK 18 million
Other expenses	SEK 5 million

In addition to salaries during the notice period, there has only been an impact on cash flow amounting to SEK 5 million. The write-down of stock has been made to the level which is deemed to correspond to the net realisable value. The write-down of property and machinery/ equipment have resulted in their almost complete depreciation. The write-down of accounts receivable is attributed to OKB's distributor in Greece. An instalment plan and guarantees are in place for current debts, and a write-down is being carried out purely as a precautionary measure with the aim of preparing for a possible deepened Greek debt crisis, or Greek exit from the Eurozone. Following this write-down adjustment, neither OKB nor the Group as a whole will have any credit exposure to the Greek market.

With regard to manufacturing at OKB, the restructuring measures require the company to cease production at the glassworks in Åfors and Orrefors. The Company will concentrate its manufacturing activities at the glassworks in Kosta, which will continue to manufacture OKB's premium products and glass art.

Sales and result per operating segment

Corporate Promo	**2012**	**2011**
Income	1 674,9	1 834,9
Result EBITDA	159,0	251,7
Sports & Leisure		
Income	1 982,6	1 724,0
Result EBITDA	161,8	177,3
Gifts & Home Furnishings		
Income	622,7	678,0
Result EBITDA	-157,8	-51,5
Total income	**4 280,2**	**4 236,9**
Total result EBITDA	**163,0**	**377,5**

GEOGRAPHICAL ALLOCATION

	2012	**Share of income**	**2011**	**Share of income**	**Change MSEK**	**%**
Sweden	1 158	27%	1 285	30%	-127	-10
USA	1 112	26%	894	21%	218	24
Nordic region excl Sweden	628	15%	661	16%	-33	-5
Central Europe	743	17%	781	18%	-38	-5
Southern Europe	356	8%	443	11%	-87	-20
Other countries	283	7%	173	4%	110	64
Total	**4 280**	**100%**	**4 237**	**100%**	**43**	**1**

Sales in Sweden fell 10% on last year, which can be attributed to both sales channels. Sales in the USA rose by 24% compared with 2011, to which the units acquired last year had a positive effect in the region, amounting to 21%. Sales in the other Nordic countries fell 5%, primarily in Norway and Finland in the promo sales channel. Market conditions in Central and Southern Europe have worsened, with revenues falling 5% and 20% respectively.

TIED UP CAPITAL

Capital tied up in stock has reduced by SEK 329 million during the year. Stock amounted to a total of SEK 1 645 (1 974) million. This decrease is primarily due to lower purchasing and a write-down of stock in connection with the remedial measures at Orrefors Kosta Boda. The turnover rate of stock excluding the stated write-down was 1.2 (1.2).

	Dec 2012	**Dec 2011**
Raw materials	33.7	63.8
Work in progress	13.2	20.7
Goods in transit	70.5	64.1
Goods for resale	1 528.0	1 825.3
Total	**1 645.4**	**1 973.9**

The total obsolescence reserve as at 31 December 2012 amounted to SEK 163 (77) million, of which SEK 24 million relates to raw materials. The obsolescence reserve related to goods for resale in stock amounted to 9.1 (4.2) %. This increase is related to the stated remedial measures within Orrefors Kosta Boda.

Accounts receivable amounted to SEK 705 (782) million. The decline is primarily related to the Group having improved credit periods, as well as a positive effect from the changed mix of customers and countries.

INTANGIBLE ASSETS AND IMPAIRMENT TESTING

Assumptions made during testing are the Board's current best estimate of the economic conditions expected to prevail during the projection period. The current economic situation and market conditions make a projection for future periods difficult to estimate. The first five years — 2013 to 2017 — are based on the internal projections determined by the Board. For the subsequent period, an average growth rate of 3% has been applied for the terminal period. Sensitivity analyses have been conducted for all operating segments.

In present value computations of expected future cash flows, a weighted average cost of capital (WACC) of 11.5% before tax has been applied. Discounted cash flows are compared with the book value for each cash flow-generating unit/operating segment. The uncertainty regarding the valuation of the Orrefors Kosta Boda brand noted in the 2011 Annual Report is now deemed justifiable taking into consideration the remedial measures taken. Following the analysis, the Board believes that there are no write-down requirements in the current situation.

Corporate Promo

The calculation includes the cash flow of the operating segment which is based on internal projections. It includes a slight increase in sales, and capital tied up is expected to be at current levels during the projection period (2013–2017).

Sports & Leisure

The calculation includes the cash flow of the operating segment which is based on internal projections. The remedial measures taken last year have contributed to improvements in profitability and operating capital. The effects of these measures are included in the projected estimated improvements.

Gifts & Home Furnishings

The calculation includes the cash flow of the operating segment which is based on internal projections. During 2012, remedial measures were taken within Orrefors Kosta Boda — which is essential to the segment — in order to improve efficiency and profitability. The projection includes the estimated improvements to margins and profits that these measures are expected to provide, which include an improved stock situation and increased efficiency. Within the forecast period (2013–2017), 2013 is expected to show weaker development followed by gradual improvement in the years thereafter.

INVESTMENTS, FINANCING AND LIQUIDITY

The Group's cash flow from operating activities rose by SEK 275.1 million and amounted to SEK 341.1 (66.0) million. This rise was primarily due to reduced purchasing of goods and improved credit periods. Net investments with a cash impact amounted to SEK -50.4 (-326.5) million, with SEK -254.5 million in acquisitions taking place last year.

Net debt decreased by SEK 280 million to SEK 1 517 (1 797) million, which is primarily due to improved working capital mainly with regard to stock. Net debt in relation to equity and working capital decreased and amounted to 77.5 (85.9) % and 77.3 (78.6) % respectively.

The equity/assets ratio improved by 0.6 percentage points and amounted to 44.1 (43.5) %.

In Q3 the Group entered into a new three-year financing agreement. As at 31 December 2012, the financing agreement had a credit limit of SEK 2 312 million in which the primary agreement amounts to SEK 2 200 million and is valid until 12 November 2015. The financing agreement requires that key ratios (covenants) are met in order to maintain the credit limit. The interest rate is based on each currency's base rate and a fixed margin.

Based on current projections, the management estimate that the Group will be able to meet these key ratios with a satisfactory margin. The Group's policy is to have short fixed-rate interest periods, which means that fluctuating short-term interest rates have a rapid impact on the Group's net interest income.

PERSONNEL, ORGANISATION AND ALLOWANCES

As at 31 December 2012, the number of employees amounted to 2 258 (2 242) of which 50% were women and 50% were men. Out of the total number of employees, 597 (603) work within manufacturing. The manufacturing aspects of New Wave Group are attributable to Ahead (embroidered edging), Cutter & Buck (embroidered edging), Paris Glove, Orrefors Kosta Boda, Seger, Dahetra, and Toppoint.

On 5 November, Magnus Andersson took over as the new CEO of Orrefors Kosta Boda AB. Magnus Andersson, most recently served as CEO of Nimbus Boats. He has previously been CEO for New Wave Group's subsidiaries Sagaform and OKB. Magnus will also be the Director of the Gifts & Home Furnishings segment within New Wave Group and will manage the transformation efforts under way within OKB.

There is no specifically appointed remuneration committee for the management of salary levels, pension benefits, incentive matters, and other terms of employment for the CEO as these issues are addressed by the Board as a whole. The terms of employment for other members of Group Management are decided on by the CEO and Chairman of the Board.

New Wave Group's remuneration policy for senior management in 2012 until the 2013 AGM:

- Remuneration to the Group CEO and senior management shall comprise a fixed salary at market rate.

- No specific Board fees for work within Group companies will be paid to the senior management.

- Variable remuneration, such as bonuses, may be permitted when it can be justified for the recruitment or retention of key employees, and to stimulate improvements in sales and profits, as well as for work to achieve the specific key ratios set by the Board. Variable remuneration shall be based on predetermined and measurable criteria such as the earnings trend for the New Wave Group, or the return on equity compared with fixed targets. Variable remuneration shall not exceed 50% of the fixed remuneration.

- With regard to each financial year, the Board shall evaluate whether a share or share price-related incentive programme which covers the year in question shall be proposed to the AGM or not. The AGM decides on such incentive programmes.

- Pension benefits shall correspond to the ITP plan (supplementary pensions for salaried employees) or, in the case of senior management outside Sweden, pension benefits that are customary in that country.

- A mutual notice period of a maximum of 6 months shall apply to all senior management and no severance pay will be paid.

The Board may deviate from the proposed guidelines above in individual cases if there are specific reasons to do so.

TRANSACTIONS WITH AFFILIATES

Lease agreements with affiliated companies are in place. Affiliated companies of the CEO have purchased goods for resale. A member of the Board of Directors has carried out consultancy services. All transactions have taken place on market terms. See Note 24 for further details.

SUBSCRIPTION OPTIONS IN NEW WAVE GROUP AB

New Wave Group has an outstanding programme for share options.

In July 2008, a programme was released aimed at the Board. The option programme includes 200 000 option rights and runs until June 2013 with a redemption price of SEK 85.40.The options were subscribed with a premium of SEK 0.88 each.

The premiums derived from the above programme have been based on the options being valued at their respective fair values.

RISKS AND RISK MANAGEMENT

Considering its international business operations, New Wave Group is continually exposed to various financial risks. The financial risks include foreign exchange, borrowing, and interest rate risks, as well as liquidity and credit risks. In order to mitigate the impact of these risks on profits, the Group has established a finance policy. See Note 16 for a more detailed description of the Group's risk exposure and risk management.

Operational risks are factors which are not directly controllable, such as economic cycles, as well as fashions and foreign exchange fluctuations;

- with regard to the promo sales channel, the collections demand continuity which limits the risk that stock write-downs need to be made. Foreign exchange risk is limited through continual adjustment of price lists. Sales are made to selected retailers thus limiting credit losses.

- with regard to the retail sales channel, the aspect of fashionability is greater. As sales are largely in the form of pre-orders, the obsolescence risk is limited, however. The foreign exchange risk is limited as 50–80% of purchasing expenses are covered in advance.

The Group's policy is to have short fixed-rate interest periods, which means that fluctuating short-term interest rates have a rapid impact on the Group's net interest income.

ENVIROMENT

New Wave Group has a responsibility to ensure that our business operations, and the business operations of our suppliers, respect the legal provisions of different countries, as well as basic human rights and working conditions. New Wave Group works systematically with regard to supplier auditing, monitoring, and dialogue in order to ensure that our business operations are conducted in the most responsible manner possible with regard to people and the environment.

New Wave Group understands how our business operations are so closely related to local and global environmental issues. As the Group grows in size, and as more customers buy our products, our environmental impact will increase. For this reason, New Wave Group is striving to develop environmentally sustainable solutions with regard to transport, packaging, and manufacturing.

The Group's subsidiary — Orrefors Kosta Boda AB — conducts licensed operations under the Enviromental code.

For additional information see section Ethics and the environment on pages 28–29.

PARENT COMPANY

Total income amounted to SEK 127.2 (140.2) million. Losses before appropriations and tax amounted to SEK -23.7 (-203.1) million. Net borrowing amounted to SEK 1 578 (1 764) million, of which SEK 1 159 (1 414) million relates to the financing of subsidiaries. Net investments amounted to SEK 8.6 (-204.9) million. Total assets amounted to SEK 3 074 (3 399) million, and equity, including 78.0 (73.7) % of untaxed reserves, amounted to SEK 1 015 (1 099) million. Income was adversely affected by SEK 203.6 million owing to a write-down of fixed assets. This is primarily due to capital contributions to subsidiaries to cover losses. The contributions are not expected to convey further value to the subsidiaries and have thus been charged against income.

NEW WAVE'S SHARES

The number of shares in New Wave Group AB amounts to 66 343 543 with a quotient value of SEK 3.00.The shares have equal rights to the Company's assets and profits. Each Series A share carries ten votes and each Series B share carries one vote. The offer of first refusal is in place for Series A shareholders in accordance with paragraph 14 of the articles of association.

New Wave Group has an outstanding programme for share options as at 31 December 2012.This programme is not "in the money" as per this date.

The election of Board members takes place at the AGM.

Through companies, Torsten Jansson owns 34.1% of the capital and 82.7% of the votes.

The following authorisation has been given to the Board until the next AGM:

- to, on one or several occasions, decide on the new issue of a maximum of 4 000 000 Series B shares. The authorisation includes the right to decide to deviate from the shareholders' preferential rights, unless the decision refers to a new issue in which consideration is comprised only of cash. Through decisions supported by the authorisation, share capital will be allowed to increase by a total maximum of SEK 12 000 000.The authorisation will also include the right to decide on new issues with a dominance in kind, or that shares shall be subscribed with a right of set-off or otherwise with conditions as stated in chapter 13, section 5, point 6 of the Companies Act. The reason for the deviation from the shareholders' preferential rights is that the new issue of shares shall be used for the acquisition of companies and for financing continued expansion. The basis of the issue price will be the share's market value at the time of issue.

- to, on one or more occasions, decide to raise financing of a kind that is covered by the provisions in chapter 11, section 11 of the Companies Act. Such financing will take place on market terms. The reason for this authorisation is that the Company should have the opportunity to raise financing on attractive terms for the Company in which the interest rate may depend on the Company's profits or financial position, for example.

GROWTH TARGETS AND DIVIDEND POLICY

The growth target over one business cycle has been adjusted from 20–40% per year to 10–20% per year. The dividend policy has been adjusted from 30% to 40% of the Group's net profit over one economic cycle.

IN GENERAL

A report on the Group's governance and the work of the Board is presented in the section on Corporate Governance.

Proposed distribution of profit

The following is at the disposal of the AGM:

SEK thousand	
Retained profits	499 948
Share premium reserve	48 018
Net loss for the year	-7 842
Total	**540 124**

The Board proposes a dividend of SEK 1.00 (1.00) per share, corresponding to SEK 66 344 thousand, and that retained profits together with the net loss for the year, in total SEK 425 762 thousand, is carried forward. The Board's objective is that dividend to shareholders should equate to 40% of the Group's profit over one business cycle.

The Board of Directors' statement regarding distribution of profits

Justification

Consolidated equity has been calculated according to the IFRS standards as adopted by the EU, and in accordance with Swedish law through the application of the Swedish Financial Reporting Board's recommendation, RFR 1 (Supplementary Accounting Rules for Corporate Groups). The Parent Company's equity has been calculated according to Swedish law and through the application of the Swedish Financial Reporting Board's recommendation, RFR 2 (Accounting for Legal Entities).

Excluding restructuring costs in Orrefors Kosta Boda, the proposed distribution of profits corresponds to 40% of the Group's profits after tax, which is in line with the stated objective that dividend should equate to 40% of the Group's profits after tax over one business cycle. Investment plans, consolidation requirements, liquidity and overall position have been taken into account.

The Board finds that there is full coverage of the Company's restricted equity following the proposed distribution of profits.

The Board also finds that the proposed dividend to shareholders is justified with regard to the parameters stated in chapter 17, section 3, paragraphs 2 and 3 of the Companies Act (the nature, scope, and risks of the business, and consolidation requirements, liquidity, and overall position). In relation to this, the Board would like to stress the following.

The nature, scope, and risks of the business

The Board deems that Company equity and consolidated equity following the proposed distribution of profits will be sufficient in relation to the nature, scope, and risks of the business. In relation to this, the Board takes into account the Company's and the Group's historical and budgeted development, investment plans, and the economic situation.

Consolidation requirements, liquidity, and overall position

Consolidation requirements

The Board has undertaken a comprehensive assessment of the Company's financial position and its ability to honour its future commitments. The proposed dividend represents 6.7% of the Company's equity and 3.4% of consolidated equity. The objective stated with regard to the Group's capital structure for an equity/assets ratio of at least 30% is retained following the proposed dividend. The Company's and the Group's equity/assets ratio is good. Against this background, the Board considers that the Company and the Group have the necessary conditions for taking future business risks and to withstand any losses. Planned investments have been taken into account in determining the proposed dividend. The distribution of profits will have no negative effect on the Company's and the Group's ability to make further commercially motivated investments according to the adopted plans.

Liquidity

The proposed distribution of profits will not affect the Company's and the Group's ability to honour its payment obligations on time. The Company and the Group have access to liquid asset reserves in the form of both short and long-term credit. The credit can be obtained at short notice, which means that the Company and the Group are prepared to overcome liquidity variations as well as any unexpected events.

Position

The Board has evaluated all other known conditions which may be of significance for the Company's and the Group's financial position and which have not been considered within the framework of that which has been stated above. In relation to this, no circumstance has arisen which makes the proposed dividend seem unjustifiable.

The undersigned certify that the consolidated and annual accounts have been prepared in accordance with the IFRS international financial reporting standards, as adopted by the EU, and generally accepted accounting principles, and provide an accurate account of the Group's financial position and performance, and that the Group Directors' Report and Board of Directors' Report provide an accurate overview of the development of the Group's and the Company's operations, financial position and performance, and describe the significant risks and safety factors faced by the companies in the Group.

Gothenburg, 3 April 2013

Christina Bellander
Board Member

Anders Dahlvig
Chairman of the Board

Helle Kruse Nielsen
Board Member

Mats Årjes
Board Member

Torsten Jansson
MD and CEO

Göran Härstedt
Board Member

Our auditor's report has been given on 3 April 2013

Ernst & Young AB

Björn Grundvall
Authorised Public Accountant

Consolidated income statement

1 January – 31 December

SEK million	Note	2012	2011
Income	3	4 280.2	4 236.9
Goods for resale		-2 415.8	-2 214.1
Gross profit		**1 864.4**	**2 022.8**
Other operating income	4	35.1	39.4
External costs	6	-954.0	-970.5
Personnel costs	5, 6	-765.5	-691.1
Depreciation and write-downs of tangible and intangible fixed assets	1, 9, 10	-89.9	-50.6
Other operating costs		-18.7	-24.8
Share of associated companies' result		1.7	1.7
Operating profit		**73.1**	**326.9**
Financial income		5.0	6.9
Financial costs		-63.2	-57.9
Net financial items	23	**-58.2**	**-51.0**
Profit before tax		**14.9**	**275.9**
Tax on profit for the year	8	-9.1	-76.8
Profit for the year		**5.8**	**199.1**
Other comprehensive income			
Translation differences		-70.5	20.0
Cash flow hedge		-7.0	9.5
Income tax related to components of other comprehensive income		1.5	-2.5
Total other comprehensive income net after tax		*-76.0*	*27.0*
Total comprehensive income for the year		**-70.2**	**226.1**
Profit for the year attributable to:			
Shareholders of the parent company		5.4	198.3
Non-controlling (minority) interest		0.4	0.8
		5.8	**199.1**
Total comprehensive income attributable to:			
Shareholders of the parent company		-69.7	226.6
Non-controlling (minority) interest		-0.5	-0.5
		-70.2	**226.1**
Profit per share			
before dilution (SEK)		0.08	2.99
after dilution (SEK)	6	0.08	2.94
The average number of outstanding shares before dilution		66 343 543	66 343 543
The average number of outstanding shares after dilution	6	66 343 543	67 343 543

Consolidated cash flow statement

1 January – 31 December

SEK million	Note	2012	2011
Current operation			
Operating profit		73.1	326.9
Adjustment for items not included in cash flow		230.1	71.1
Received interest		5.0	6.9
Paid interest		-63.2	-57.9
Paid income tax		-63.6	-77.4
Cash flow from current operations before changes in working capital		**181.4**	**269.6**
Cash flow from changes in working capital			
Increase/decrease in stock		193.6	-252.4
Increase/decrease of current receivables		12.7	168.6
Increase/decrease of short-term liabilities		-46.6	-119.8
Cash flow from operations		**341.1**	**66.0**
Investing activities			
Investments in tangible fixed assets		-54.2	-56.8
Sales of tangible fixed assets		8.6	4.8
Investments in intangible fixed assets	26	-4.8	-13.2
Acquisition of subsidiaries		0.0	-254.5
Acquisition of financial fixed assets		0.0	-6.8
Cash flow from investing activities		**-50.4**	**-326.5**
Cash flow after investing activities		**290.7**	**-260.5**
Financing activities			
Loan raised		0.0	322.3
Amortization of loan		-157.2	0.0
Dividends paid to the shareholders of the parent company		-66.3	-66.3
Cash flow from financing activities		**-223.5**	**256.0**
Cash flow for the year		**67.2**	**-4.5**
Liquid assets at the beginning of the year		117.7	121.7
Adjustment liquid assets at the beginning of the year*		48.8	0.0
Translation differences in liquid assets		-4.0	0.5
Liquid assets at year-end		**229.7**	**117.7**
Liquid assets			
Cash at bank and in hand		**229.7**	**117.7**

The above items have been classified as liquid assets on the basis that:

- they comprice cash
- they have an insignificant risk of exchange rate fluctuations

Comments on the cash flow statement

The cash flow from operations increased by SEK 275.1 million (SEK -277.6 million).
Liquidity influencing investments decreased by SEK -276.1 million (SEK 268.9 million).
Cash flow after investing activities amounts to SEK 290.7 million (SEK -260.5 million).

*As of 2012 gross accounting of cash in bank is applied.

Consolidated balance sheet

As at 31 December

SEK million	Note	2012	2011
ASSETS			
Intangible fixed assets	9	1 173.0	1 223.5
Tangible fixed assets	10	297.4	366.1
Shares in associated companies	11	62.0	60.2
Other long-term receivables	11	24.5	40.6
Deferred tax assets	12	103.9	82.9
Total fixed assets		**1 660.8**	**1 773.3**
Stock	22	1 645.4	1 973.9
Tax receivables		33.1	17.7
Accounts receivables	16	705.0	782.3
Prepaid expenses and accrued income	13	59.8	73.4
Other receivables	7	107.4	68.1
Liquid assets		229.7	117.7
Total current assets		**2 780.4**	**3 033.1**
TOTAL ASSETS	21	**4 441.2**	**4 806.4**
EQUITY			
Share capital		199.1	199.1
Other capital contributions		219.4	219.4
Reserves		-9.2	65.9
Retained earnings including profit for the year		1 525.0	1 584.2
Equity attributable to the shareholders of the parent company		**1 934.3**	**2 068.6**
Non-controlling (minority) interest		23.7	24.2
Total equity		**1 958.0**	**2 092.8**
LIABILITIES			
Long-term interest-bearing liabilities	14, 17, 19	1 670.3	1 873.5
Pension provisions		10.1	9.3
Other provisions	25	1.3	0.6
Deferred tax liabilities	12	138.0	163.2
Total long-term liabilities		**1 819.7**	**2 046.6**
Short-term interest-bearing liabilities	14, 17, 19	76.1	41.5
Accounts payable		237.8	283.5
Current tax liabilities		31.3	32.2
Other liabilities		118.1	83.4
Accrued expenses and prepaid income	15	200.2	226.4
Total short-term liabilities		**663.5**	**667.0**
Total liabilities		**2 483.2**	**2 713.6**
TOTAL EQUITY AND LIABILITIES	21	**4 441.2**	**4 806.4**
Memorandum items			
Pledged assets	19	3 505.1	3 211.5
Contingent liabilities	20	97.3	24.4

Consolidated statement of changes in equity

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings including profit for the year	Total	Non-controlling (minority) interest	Total equity
Opening balance 2011-01-01	**199.1**	**219.4**	**37.6**	**1 452.2**	**1 908.3**	**24.7**	**1 933.0**
Profit for the year				198.3	198.3	0.8	199.1
Other comprehensive income							
Translation differences			21.3		21.3	-1.3	20.0
Cash flow hedge			9.5		9.5		9.5
Income tax related to components of other comprehensive income			-2.5		-2.5		-2.5
Transactions with shareholders							
Dividends				-66.3	-66.3		-66.3
Closing balance 2011-12-31	**199.1**	**219.4**	**65.9**	**1 584.2**	**2 068.6**	**24.2**	**2 092.8**

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings including profit for the year	Total	Non-controlling (minority) interest	Total equity
Opening balance 2012-01-01	**199.1**	**219.4**	**65.9**	**1 584.2**	**2 068.6**	**24.2**	**2 092.8**
Profit for the year				5.4	5.4	0.4	5.8
Change in tax rate, untaxed reserves				1.7	1.7		1.7
Other comprehensive income							
Translation differences			-69.6		-69.6	-0.9	-70.5
Cash flow hedge			-7.0		-7.0		-7.0
Income tax related to components of other comprehensive income			1.5		1.5		1.5
Transactions with shareholders							
Dividends				-66.3	-66.3		-66.3
Closing balance 2012-12-31	**199.1**	**219.4**	**-9.2**	**1 525.0**	**1 934.3**	**23.7**	**1 958.0**

Accumulated translation differences in equity	**2012**	**2011**	**2010**	**2009**
Accumulated translation differences at the beginning of the year	69.9	49.9	115.7	205.7
Translation differences in foreign subsidiaries for the year	-70.5	20.0	-65.8	-90.0
Accumulated translation differences at year-end	**-0.6**	**69.9**	**49.9**	**115.7**

Classification of equity

Share capital
Share capital includes the registed share capital for the parent company. Share capital consists of 20 707 680 class A shares (quoted value SEK 3.00) and 45 635 863 class B shares (quoted value SEK 3.00).

Other capital contributions
Other capital contributions include the total transactions that New Wave Group AB has had with the shareholders. Transactions that have taken place are premium share issues. The amount that is included in other capital contributions is therfore fully equivalent to capital received in addition to the nominal amount from the share issue.

Reserves
Reserves consist of translation differences and fair value changes regarding financial instruments which are a part of cash flow hedge.

Retained earnings including net profit for the year
Retained earning are equivalent to the accumulated profit and loss generated by the Group in total, after the deduction of paid dividends.

Capital management
Group equity amounted to SEK 1 958.0 million (SEK 2 092.8 million) at the end of the year. New Wave Group's financial strategy is to create safe financial conditions for the Group's operations and development. The return on equity is highly significant. At the end of 2012, the return on equity amounted to 0.4% (9.9%) with an equity ration of 44.1% (43.5%).

New Wave Group's dividend policy means that the dividends to the shareholders will be equivalent to 40% of Group profits over an business cycle. The Board proposes a dividend of SEK 1.00 (1.00) per share, corresponding to SEK 66.3 million.

NOTE 1 ACCOUNTING POLICIES

Basis of preparation
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Commission for application in the EU. Recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups of the Swedish Financial Reporting Board has also been applied, which means that certain additional disclosures are provided in the consolidated financial statements. The accounting policies presented in the following description have been applied consistently for all periods presented in the consolidated financial statements. The policies have also been applied consistently within the Group. The consolidated financial statements are based primarily on historical costs, except in respect of certain financial assets and liabilities, which are recognised at fair value. The financial statements are prepared in Swedish kronor, which is the functional and reporting currency of New Wave Group.

Preparing financial statements in accordance with IFRS requires that management make certain assessments, estimates and assumptions. Critical estimates and assessments are often based on historical experience and expected future events. Those which are expected to have the biggest impact on earnings, assets and liabilities relate to how trademarks, goodwill and taxes shall be measured. Estimates, assessments and assumptions are reviewed on a regular basis. Changes are reported in the period in which the change is implemented and in future periods if these are affected. Information on areas where applied estimates and assessments contain an element of uncertainty is provided in Note 2.

Non-current assets, non-current liabilities and provisions consist essentially of amounts that are expected to be recovered or paid later than twelve months from the balance sheet date. Current assets and current liabilities consist essentially of amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

NEW AND AMENDED ACCOUNTING POLICIES

As of 1 January 2012, the Group introduced the following new and amended standards from IASB. To the extent that each standard or interpretation has given or is likely to give rise to effects on the content of the financial statements, a more detailed description of the content in respect of the amendment concerned is given. These amendments have also affected the current descriptions in respect of applied accounting policies.

- Amendments to IFRS 7 Financial Instruments:Disclosures. Further quantitative and qualitative disclosures shall be made when financial instruments are removed from the balance sheet.

- Amendments to IAS 12 Income Taxes. The calculation of deferred tax for investment properties recorded at fair value shall be based on the tax effects of the sale.

The application of these standards and interpretations has not had any impact on the Group's earnings or financial position.

The following amendments and updates have been decided by IASB and shall apply as of 1 January 2013 or thereafter if no other application date has been adopted by the EU:

- Amendments to IFRS 7 Financial Instruments: Disclosures, introduces new disclosure requirements for the offsetting of financial assets and financial liabilities. The amendments come into force from 1 January 2013 and shall also apply to interim reports.

- IFRS 9 Financial Instruments. IFRS 9 is intended to replace IAS 39 and to date, subprojects regarding the accounting and valuation of financial assets and financial liabilities have been published. The standard is currently expected to enter into force on 1 January 2015 at the earliest. The EU has not yet approved the standard.

- IFRS 10 Consolidated Financial Statements, gives an account of when controls exists, and subsequently, when companies are to be included in the consolidated financial statements. The standard provides guidance for assessing when controls exist. The standard comes into force on 1 January 2013.It has been approved by the EU with an effective date of 1 January 2014.
- IFRS 11 Joint Arrangements, identifies two types of joint arrangements; a joint operation in which participants have the rights and obligations to assets and liabilities, and a joint venture in which participants have the rights to net assets. In a joint operation, each participant shall report its assets, liabilities, income, and expenses. In a joint venture, the equity method is applied. See above under IFRS 10 for the effective date.

- IFRS 12 Disclosure of Interests in Other Entities, establishes disclosure requirements for subsidiaries, joint arrangements, associates, and unconsolidated "structured entities". See above under IFRS 10 for the effective date.

- IFRS 13 Fair Value Measurement, establishes uniform rules for the calculation of fair values where other standards require accounting of or disclosures regarding the fair values of assets and liabilities. The aim of the standard is to ensure that valuations at fair value are more consistent and less complex in that the standard provides an exact definition and common source in the IFRS regarding fair value valuations and related information. The standard comes into force on 1 January 2013.

- Amendments to IAS 1 Presentation of Financial Statements. The presentation of other comprehensive income is amended so that items which are to be reclassified as income are reported separately from items which will never be reclassified. The amendments come into force from the financial year starting 1 July 2012 or thereafter.

- Amendments to IAS 19 Employee Benefits, primarily established significant changes regarding the accounting of defined benefit pension plans. The corridor method and the ability to immediately record actuarial gains and losses in net income for the year has been removed. Furthermore, the interest rate applied when pension liabilities are calculated shall also be used when the return on pension assets is calculated. All revaluations shall be reported under other comprehensive income (not reclassification), i. e. , actuarial gains and losses, and the difference between the actual and estimated return on pension assets. The amendments come into force on 1 January 2013.

- IAS 27 Consolidated and Separate Financial Statements. Accounting and disclosures of a legal entity of subsidiaries, "joint arrangements", associates, and "unconsolidated structured entities". See above under IFRS 10 for the effective date.

- IAS 28 Investments in Associates and Joint Ventures, describes the application of the equity method, both with regard to the accounting of associates and joint ventures. See above under IFRS 10 for the effective date.

- Amendments to IAS 32 Financial Instruments:Presentation, introduces clarification in the section "Application Guidance" with regard to the offsetting of financial assets and financial liabilities. The amendments come into force on 1 January 2014.

- Annual improvements to IFRS 2009-2011.Minor amendments to and clarifications of five standards, including IAS 1 Presentation of Financial Statements, in which clarification is made of which additional information is required if more than one comparative period is reported in the calculations, or if an adjusted opening balance sheet for the comparative period is presented. The amendments come into force on 1 January 2013. The EU has not yet approved the amendments.

New Wave Group AB is currently working on evaluating the potential effects of the aforementioned decided but unimplemented new standards and amended standards.

CONSOLIDATED FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the Parent Company New Wave Group AB and all companies in which New Wave Group AB directly or indirectly holds more than 50% of the voting rights or otherwise exercises a controlling influence. In assessing whether a controlling influence exists, potential shares entitling the holder to vote that can be used or converted without delay are taken into account.

The cost of shares in subsidiaries is eliminated against equity in each subsidiary at the time of acquisition. If the cost of the shares exceeds the value of the acquired Company's net assets consolidated goodwill is recognised. Under this method, only that portion of equity in the subsidiary that has been generated after the acquisition date is included in consolidated equity. Cost is defined as the sum of the fair values of the assets paid, liabilities incurred or assumed and equity instruments issued by New Wave Group to acquire the operation. If the portion of the fair value of the acquired net assets exceeds the cost of the acquisition, the difference is recognised in the income statement as an acquisition on favourable terms. Transaction costs are to be recognised in the income statement as incurred. The acquirer can choose to recognise a non-controlling minority interest either at fair value ("full goodwill") or at its share of the acquired net assets. In the first alternative the non-controlling interest and goodwill will increase in value by the same amount. Changes in value relating to contracted supplementary considerations are to continue to be accounted for in the income statement and not affect the value of the reported goodwill. Under IAS 27, all changes in the equity stake in a subsidiary, where the controlling influence does not cease, should be accounted for as equity transactions.

Goodwill arises upon acquisition and consists of the difference between the cost of the acquisition and the fair values of the identified acquired net assets. The value of goodwill is tested annually or if there are indications of impairment. Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to the cash-generating units identified by the Company.

Earnings from operations acquired during the year are recognised in the consolidated income statement from the acquisition date. Any gain or loss from the sale of operations during the year is calculated based on the Group's recognised net assets in such operations, including earnings up to the date of sale. Intercompany balances and any unrealised income and expenses attributable to intercompany transactions are eliminated.

The non-controlling interest's share of profit/loss for the year and equity is based on the financial statements of the subsidiaries. The non-controlling interest's share of the subsidiaries' net assets is accounted for as a separate item under consolidated equity. In the consolidated income statement the non-controlling interest's share is included in reported profit/loss.

Associated companies are those companies which are not subsidiaries but where the Parent Company directly or indirectly owns a voting share of 20% or more. Interests in associated companies are accounted for using the equity method. In the consolidated income statement interests in the profit or loss of associated companies are included in profit/loss before tax. Interests in associated companies recognised at cost after adjustments for the share of the profit or loss after the acquisition date are accounted for in the consolidated balance sheet.

Recognition of income

Income is stated at the fair value of what has been received or will be received after deducting for value-added tax, discounts and returns. Income is recognised when it is deemed likely that payment will be received and the income can be reliably measured, i. e. when all risks and benefits have been transferred from the seller to the buyer. In the case of New Wave Group this is, in most cases, when an individual product is handed over, provided that New Wave Group does not remain financially involved in the product. Commission, royalty and license income is accounted for in accordance with the economic significance of the agreement concerned.

INTANGIBLE FIXED ASSETS

An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets which can be identified and measured separately from goodwill upon acquisition consist, for instance, of customer-, contract- and/or technology-related assets. Typical marketing- and customer-related assets comprise trademarks and customer relationships. Contracts and customer relationships derive from expected customer loyalty and the cash flows that are expected to arise during the remaining useful life of each asset. The method on which the valuation is based is described under Trademarks below.

Internally generated intangible assets, excluding goodwill, are recognised only if it is sufficiently likely that the asset will generate future economic benefits and the cost can be reliably measured. The cost of an internally generated asset includes direct manufacturing expenses and a portion of indirect expenses attributable to the actual asset. Intangible assets are amortized on a straight-line basis over their expected useful lives. Amortization begins when the asset is available for use. Product development mainly comprises design and development of new collections as well as development of new product variants within the framework of the existing product range. Such development generally does not meet the criteria for recognition in the balance sheet. In most cases expenditure on development is therefore charged to expense as incurred. The Company does not conduct any research activities in the strict sense.

Intangible assets are stated at cost and amortised over their useful lives, which can be indefinite or determinable. An intangible asset with an indefinite useful life is not amortised but tested for impairment annually or more frequently. New Wave Group recognises goodwill and trademarks, which are both classified as intangible assets with indefinite useful lives.

Trademarks

Trademarks are mainly stated at cost after deducting any accumulated amortisation and impairment losses. Trademarks with indefinite useful lives are not amortised but tested for impairment annually or more frequently.

TANGIBLE FIXED ASSETS

Property, plant and equipment are valued at cost after adjusting for depreciation and any impairment. Property, plant and equipment are depreciated on a straight-line basis over their expected useful lives. In determining the depreciable amount for an individual item of property, plant and equipment account is taken of any residual value of the asset. To the extent that an asset consists of components which differ materially in respect of their useful lives, these are written off separately (component depreciation). The cost of an item of property, plant and equipment that has been manufactured is included in direct manufacturing expenses and attributable indirect expenses. Depreciation begins when the asset becomes available for use. Land is not depreciated.

An item of property, plant and equipment is removed from the balance sheet upon sale or if the asset is not expected to generate any future economic benefits either by being used or being sold. Capital gains and losses are calculated as the difference between the consideration received and the asset's carrying amount. The capital gain or loss is recognised in the income statement in the year in which the asset is removed from the balance sheet. The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each financial year and adjusted prospectively, if required.

Normal expenditure on maintenance and repairs is expensed as incurred, but expenditure on significant renewal and improvement works is recognised in the balance sheet and depreciated over the remaining useful life of the underlying asset. The following useful lives are applied in New Wave Group.

Computers and software	33%
Buildings	2–4%
Other machinery and equipment	10–20%

IMPAIRMENT LOSSES

If there are internal or external indications of a decline in the value of an asset, the asset is to be tested for impairment. For assets with indefinite useful lives, including goodwill and trademarks, such tests are performed at least once a year, whether there are any indications of impairment or not. An asset or group of assets (cash-generating units) should be written down if the recoverable amount is lower than the carrying amount. The recoverable amount is the higher of value in use and net realisable value. Impairment losses are recognised in the income statement. If an individual asset cannot be tested separately because it is not possible to identify the fair value less selling expenses for the asset, the asset is allocated to a group of assets known as a cash-generating unit for which it is possible to identify separate future cash flows. Certain assets, such as goodwill, have no fair value less selling expenses, which means that it is demonstrably necessary to instead calculate the value in use for the cash-generating unit to which the asset has been allocated. If the allocation of goodwill cannot be completed before the end of the year in which the acquisition took place the initial allocation must be confirmed before the end of the financial year after the year in which the acquisition took place. Unallocated goodwill must be indicated along with an explanation for why the amount has not been allocated. To the extent that the underlying factors behind an impairment loss change in coming periods, the impairment loss will be reversed, except in the case of goodwill. Information on the specific assumptions which need to be made to calculate value in use is provided in Note 9 Intangible fixed assets.

PROVISIONS

A provision is recognised when the Group has a legal or constructive obligation arising from previous events and it is probable that an outgoing payment will be required to settle the obligation and the amount can be reliably measured. In cases where the Company expects that an obligation for which a provision has been recognised will be paid by an outside party, for instance under the terms of an insurance contract, the provision is accounted for as a separate asset, but only when it is practically certain that the payment will be received. If the obligation for which a provision has been made is due to be settled after more than twelve months, the future payment should be discounted to present value using a discount rate which reflects short-term market expectations, taking account of transaction-specific risks. Capitalisation of the provision is recognised in the balance sheet.

A transfer to the restructuring reserve is accounted for in the period in which the Group becomes legally or constructively committed to the plan and the counterparties have a valid expectation created by past practice. A provision is recognised only in respect of expenditure that is incurred as a direct result of the restructuring and that is a result of remaining contractual obligations without lasting economic benefits or that refers to a penalty incurred on account of terminating the obligation.

FINANCIAL INSTRUMENTS

All purchases and sales of financial assets are recognised at the transaction date, which is the date on which the Group undertakes to purchase the asset. Such purchases and sales normally require delivery within the period defined by regulations or generally accepted practice in the market. A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the contractual terms and conditions of the instrument. Trade receivables are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has performed and there is a contractual duty to pay, even if no invoice has been received. Trade payables are recognised when an invoice has been received. A financial asset is removed from the balance sheet when the rights inherent in the agreement are realised or expire or if the Company loses control over them. The same applies to a portion of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise ceases to apply. The same applies to part of a financial liability. Information on financial position and results is provided in Note 16 Financial instruments and financial risk management.

1.Financial assets

A financial asset is initially classified as one of the following:

- Financial assets carried at fair value through profit or loss.
- Loans and receivables carried at amortised cost.
- Financial assets held to maturity carried at cost.
- Financial assets available for sale carried at fair value through to comprehensive income.

New Wave Group has financial assets carried at fair value through profit or loss and loans and receivables. There are no financial assets held to maturity or financial assets available for sale.

Financial assets carried at fair value through profit or loss

New Wave Group uses derivatives, such as currency futures, to manage financial risks. The derivatives are always carried at fair value through profit/loss for the year. Other changes in the value of a derivative are accounted for as financial items. If the derivatives have a positive value they are accounted for as a derivative in the balance sheet.

Loan and trade receivables

Loan receivables are non-derivative financial assets with specified or specifiable payments that are not listed on an active market. These are initially stated at fair value and subsequently at amortised cost. If a loan receivable is deemed to be impossible to recover, a provision for the difference between the carrying amount and the expected cash flow is made. Interest income relating to loan receivables is accounted for as financial income.

A provision is made for doubtful receivables at year-end if there is objective evidence that the full value of the asset will not be received. Losses attributable to doubtful receivables are recognised in the income statement under external expenses.

Receivables are assessed individually and recognised at the amounts at which they are expected to be received. Trade receivables are carried at the amounts that are expected to be realised after deducting for doubtful receivables, which are assessed individually. The expected maturity of a trade receivable is short, and the value is therefore recognised at the nominal amount with no discount. Impairment of trade receivables is recognised in operating expenses. Information on impairment losses for the year is provided in Note 16, Financial instruments and financial risk management.

Cash and bank deposits

Cash and short-term bank deposits comprise liquid bank deposits and available cash assets as well as short-term bank deposits with an original maturity of three months or less. Short-term investments comprise liquid bank deposits with no tie-in period, for which fair value is deemed to be the same as the carrying amount.

2.Financial liabilities

A financial liability is initially classified as:

- Financial liabilities carried at fair value through profit/loss for the year
- Financial liabilities carried at amortised cost

Financial liabilities carried at fair value through profit/loss for the year

New Wave Group uses derivatives, such as currency futures, to manage financial risks. The derivatives are always carried at fair value through profit/loss for the year. If the derivatives have a negative value they are accounted for as a liability in the balance sheet.

Financial liabilities carried at amortised cost

These liabilities are initially carried at fair value less transaction costs. In subsequent periods these liabilities are stated at amortised cost by applying the effective interest method.

Loan liabilities comprise liabilities to credit institutions. These are stated at cost in the balance sheet at the settlement date plus accrued interest. Interest expenses are recognised in the income statement as incurred and allocated to the periods to which they refer. Trade payables are stated at amortised cost. Trade payables have a short expected maturity and are stated at their nominal value and are not discounted. A description of risks is provided in Note 16, Financial instruments and financial risk management.

Measurement of financial instruments at fair value

Financial derivatives are carried at their respective fair values. The fair value of a currency future is calculated based on futures prices quoted at the balance sheet date. In cases where no quoted information/data is available for measuring financial instruments at fair value, generally accepted valuation methods are used. These may be more or less dependent on quoted information/data. As New Wave Group only holds financial instruments whose measurement is based on quoted information, management has not had to make any assumptions or assessments for the purpose of measuring financial instruments. For financial assets and liabilities with maturities of less than one year, fair value is assumed to be the nominal value.

Financial derivatives and hedge accounting

Financial derivatives are initially and subsequently stated at fair value. Changes in value are carried through profit/loss for the year unless they form part of an effective hedge relationship and hedge accounting is applied. When a derivatives contract is concluded the Group chooses to classify the derivatives as fair value hedges, cash flow hedges or hedges of net investments in foreign subsidiaries. New Wave Group applies cash flow hedging for hedging of future flows and hedging of foreign subsidiaries. Changes in value for hedge instruments which form part of an effective cash flow hedge or a hedge of a foreign subsidiary are recognised in other comprehensive income. The cumulative change in value of such derivatives is reversed through profit/loss for the year in the period in which the hedged item affects the items in the income statement.

When a hedge instrument expires or is sold, exercised or withdrawn or otherwise no longer meets the criteria for a hedge transaction, any gain or loss recognised in equity until such date should remain there, after which it is ultimately recognised as an adjustment of expenses or income when the planned transaction or the assumed obligation is realised in the income statement. However, if a planned transaction or an assumed obligation is no longer expected to occur, the cumulative gain or loss recognised in other comprehensive income, from the period in which the hedge is applied, should immediately be transferred to the income statement.

For the purpose of hedging net investments in foreign companies, New Wave Group raises loans in the subsidiary's functional currency. Foreign exchange gains and losses arising upon translation of loans raised for the purpose of hedging net investments in foreign subsidiaries are accounted for as translation differences. New Wave Group also uses futures to hedge about 50–80% of all purchases in Sports & Leisure and Sagaform that are exposed to fluctuations in exchange rates. When an order is made, derivatives are purchased to hedge the value of incoming deliveries to the warehouses.

Disclosures on individual hedges are provided in Note 16, Financial instruments and financial risk management.

LEASING

Finance leases, where the Group essentially assumes all risks and benefits associated with ownership of the leased object, are recognised in the balance sheet at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are allocated between funding costs and repayment of the outstanding liability under the lease. Assets held under a finance lease are written off over their expected useful lives.

Leases in which the lessor essentially retains all risks and benefits associated with ownership are classified as operating leases. Lease payments are expensed in the income statement on a straight-line basis over the term of the lease. For material reasons, company cars, photocopiers, etc. are accounted for as operating leases.

STOCK

Stock is recognised at the lower of cost, as determined by applying the first in first out (FIFO) method, and net realisable value. The net realisable value is the estimated selling price less estimated selling expenses. Stock comprise clothes, gift products and accessories held for resale.

INCOME TAX

Current income tax

Current tax assets and tax liabilities for current and previous periods are defined as the amount that is expected to be received back from or paid to the tax authority. The tax rates and tax laws applied in calculating the amount are those which have been adopted or announced at the balance sheet date. Current tax attributable to items recognised in equity and in other comprehensive income are recognised in equity and other comprehensive income.

Deferred income tax

Deferred tax is recognised at the balance sheet date in accordance with the balance sheet method for temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax liabilities are accounted for all taxable temporary differences. Except are cases where the deferred income tax liability is incurred as a result of goodwill impairment or where an asset or liability is accounted for as part of a transaction which is not a business combination and which, at the time of the transaction, neither affects the reported profit or the taxable profit or loss (i. e. initial recognition exemption). Normally deductible temporary differences are not recorded when related to investments in subsidiaries, associates, and joint ventures except for cases in which the time frame for reversal of the temporary difference can be controlled and it is likely that the temporary difference will not be reversed in the forseeable future.

Deferred tax assets are recognised for all deductible temporary differences, including tax losses to the extent that it is likely that a taxable profit will be available against which the tax asset can be offset. Deferred tax assets are reviewed at each balance sheet date and adjusted to the extent that it is no longer probable that sufficient profits will be generated to enable all or part of the deferred tax asset to be used. Deferred tax assets and tax liabilities are determined at the tax rates applying for the period in which the asset is realised or the liability is paid based on tax rates (and legislation) that have been adopted or announced at the balance sheet date. Deferred tax assets and tax liabilities are offset if there is a legal right to offset the amounts against each other and the deferred tax is attributable to the same unit in the Group and the same tax authority.

PENSIONS

Both defined benefit and defined contribution pension plans are used in New Wave Group. The Group has defined benefit pension plans that are managed by Alecta. This is a plan which covers several employers, and, as Alecta does not have sufficient information available for measurement, the Company's pension obligation with Alecta is accounted for as a defined contribution plan in accordance with IAS 19, p. 30.Alecta's collective funding ratio at year-end was 129 (113) %. Collective funding ratio is defined as the difference between the assets and insurance obligations calculated in accordance with Alecta's actuarial assumptions, which do not comply with IAS 19.The Group's contributions to defined contribution pension plans are charged to the income statement in the year to which they are attributable.

SHARE-BASED REMUNERATION

New Wave Group has share-based incentive schemes in which the beneficiaries have paid a market price for issued options. No recognition of expenses is required due to the structure of the scheme, but any exercise of options would give rise to dilution.

OPERATING SEGMENT REPORTING

The Corporate Promo, Sports & Leisure, and Gifts & Home Furnishings operating segments comprise the Group's segments. Under this classification, each trademark is grouped to the various operating segments. Prices charged between Group companies are set on a commercial basis and thus constitute market prices. Internal profits and losses arising from sales between Group companies have been fully eliminated.

ESTIMATES AND ASSESSMENTS

In preparing financial statements the Board of Directors and Chief Executive Officer are required to make certain estimates and assumptions which affect the content of the financial statements, i. e. the carrying amounts of assets, liabilities, income and expenses. Those areas where estimates and assumptions are of material significance for the Group and which may affect the income statement and balance sheet if they are changed are described in note 2.

Impairment of tangible fixed assets and intangible fixed assets

Tangible fixed assets and intangible fixed assets, except those which have indefinite useful lives, are written off over the periods in which they will generate income, i. e. their useful lives. If there is an indication of impairment of an asset the recoverable amount is determined. The recoverable amount is the higher of the fair value of the asset less selling expenses and its value in use. An impairment loss is recognised when the asset's recoverable amount is less than the carrying amount. The recoverable amount is determined based on management's estimate of future cash flows or other factors. The assumptions made for the purpose of impairment tests, including the associated sensitivity analyses, are explained in Note 9 and affect the estimated present value in all cases.

Goodwill, trademarks and other intangible assets with indefinite useful lives should be tested for impairment at least once a year or if there are indications of impairment. To test these assets for impairment, the assets need to be allocated to cash-generating units and their values in use need to be calculated. The necessary calculations require that management make an estimate of the expected future cash flow attributable to the defined cash-generating units. A discount rate also needs to be calculated for the purpose of discounting the cash flow. See Note 9.

The Group has reviewed those estimates which, if they were to be changed, could have a significant impact on the fair values of assets and would therefore require recognition of impairment losses. The estimates relate to factors such as expected selling prices for the products, expected inflation levels and discount rates. A description of the assumptions made concerning impairment tests, including sensitivity analyses, is given in Note 9.

Measurement of financial instruments at fair value

In cases where financial assets and liabilities have no fair values based on quoted prices, other measurement methods are used, such as discounted cash flow models or the Black & Scholes model. The main assessments refer to future cash flows, credit risks and volatility. For more information, see Note 16, Financial instrument and financial management.

Deferred tax assets

Deferred taxes are recognised for temporary differences arising between the carrying amounts and tax bases of assets and liabilities as well as for unused tax losses. Deferred tax assets are recognised only if it is likely that these can be used to offset future profits. In the event that actual outcomes differ from the estimates made or if management adjusts these estimates in future, the value of deferred tax assets could change. See Note 12 Deferred tax assets for detailed information.

Provisions for doubtful receivables
Trade receivables are initially carried at fair value and subsequently at the value at which they are expected to be realised. An estimate of doubtful receivables that is based on an objective assessment of all outstanding amounts is made continuously. Losses relating to doubtful receivables are recognised in the income statement under external expenses, see Note 16, Financial instruments and financial risk management.

Measurement of stock
The value is dependent on management's assessments in respect of the calculation of the net realisable value of the stock. These assessments may require the recognition of impairment losses on the stock.

Emission allowances
At the closing date Orrefors Kosta Boda AB held, as the sole unit in the Group, 1,611 (2,870) emission allowances. The emission allowances have been allocated by the Swedish Energy Agency free of charge and have therefore not been assigned a value.

NOTE 2 MATERIAL ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

In preparing financial statements in accordance with the applied accounting policies, the Board of Directors and Managing Director are required to make certain estimates and assumptions which affect the carrying amounts of assets, liabilities, income and expenses. Those areas where estimates and assumptions are of material significance for the Group and which may affect the income statement and balance sheet if they are changed are described below.

Impairment of tangible and intangible assets
Tangible and intangible assets with the exception of goodwill and trademarks are written off over the periods in which they will generate income, i.e. their useful lives. If there is an indication of impairment of an asset the recoverable amount is determined. The recoverable amount is the higher of the net realisable value of the asset and its value in use. An impairment loss is recognised when the asset's recoverable amount is less than the carrying amount. The recoverable amount is determined based on management's estimate of future cash flows. The assumptions made for the purpose of impairment tests, including the associated sensitivity analyses, are explained in Note 9 Intangible fixed assets.

Goodwill, trademarks and other intangible assets with indefinite useful lives should be tested for impairment at least once a year. The calculations require that management make an estimate of the expected future cash flow attributable to the defined units. A discount rate also needs to be calculated for the purpose of discounting the cash flow, see Note 9 Intangible fixed assets.

The Group has reviewed those estimates which, if they were to be changed, could have a significant impact on the fair values of assets and would therefore require recognition of impairment losses. The estimates relate to factors such as expected selling prices for the products, expected inflation levels and discount rates. A description of the assumptions made concerning impairment tests, including sensitivity analyses, is given in Note 9 Intangible fixed assets.

Measurement of inventories
Inventories comprise clothes, gift products and accessories held fore resale, and are stated, by applying the first in, first out principle, at the lower of cost and net realisable value at the balance sheet date. Internal profits arising from deliveries between companies in the Group are deducted. In the Corporate Promo operating segment the risk that the net realisable value will be lower than the cost is low, as a large portion of the collection comprises timeless basic products for which there is a demand season after season.

In the Sports & Leisure operating segment about 21% of sales are made through the promo sales channel. This product range mainly comprises basic products with limited fashion risk. For sales made through the retail sales channel orders are sent to the factory upon receipt of a purchase order from the customer, which significantly limits the risk that the net realisable value will be lower than the cost.

In the Gifts & Home Furnishings operating segment most of the volume consists of classic and big-selling products, many of which have a product cycle of more than 20 years. This limits the risk that the net realisable value will be lower than the cost.

Pensions and other post-employment benefits
Defined benefit pension plans are used in the Group. The pension plans are relatively small. As the Swedish pension fund manager Alecta is not able to provide data from which the defined benefit pension liability could be calculated, this pension plan has been accounted for as a defined contribution plan.

NOTE 3 SEGMENT INFORMATION

New Wave Group AB's segments constitute the operating segments Corporate Promo, Sports & Leisure and Gifts & Home Furnishings. The relevant brands are allocated to the operating segment to which they are considered to belong. The Group monitors income and profit/loss (EBITDA) for each segment. The operating segments are based on the Group's operational management and this is exclusively based on IFRS, which means that no adjustments need to be made in relation to the consolidated financial statements. New Wave Group has chosen to present the profit for the operating segments as EBITDA (Earning Before Interest, Tax, Depreciation and Amortisation), which means operating profit/loss adjusted for depreciation of fixed assets. Central costs have been distributed to the relevant segment based on use.

	Income		Operating profit/ loss, EBITDA		Assets		Fixed assets *		Deferred tax assets	
SEK million	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Corporate Promo	1 674.9	1 834.9	159.0	251.7	2 167.6	2 216.6	562.6	583.6	29.5	32.3
Sports & Leisure	1 982.6	1 724.0	161.8	177.3	1 767.4	1 857.5	762.3	807.4	26.3	27.0
Gifts & Home Furnishings	622.7	678.0	-157.8	-51.5	506.2	732.3	145.5	198.6	48.1	23.6
Total	**4 280.2**	**4 236.9**	**163.0**	**377.5**	**4 441.2**	**4 806.4**	**1 470.4**	**1 589.6**	**103.9**	**82.9**

Total EBITDA results	**163.0**	**377.5**
Depreciation	-89.9	-50.6
Net financial items	-58.2	-51.0
Profit before tax	**14.9**	**275.9**

	Investments		Depreciation and write downs		Liabilities	
SEK million	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Corporate Promo	-35.9	-38.7	-25.1	-28.0	1 644.5	1 561.4
Sports & Leisure	-11.8	-274.8	-17.3	-13.4	495.4	719.1
Gifts & Home Furnishings	-2.7	-13.0	-47.5	-9.2	343.3	433.1
Total	**-50.4**	**-326.5**	**-89.9**	**-50.6**	**2 483.2**	**2 713.6**

Geographic areas

	Income		Fixed assets *		Deferred tax assets	
SEK million	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Sweden	1 157.9	1 285.4	446.7	495.2	37.4	13.7
USA	1 111.7	894.4	681.3	729.5	36.1	35.6
Nordic countries excl Sweden	628.5	660.6	23.8	22.9	6.9	6.7
Central Europe	743.3	781.5	174.3	181.5	12.6	22.6
Southern Europe	356.2	442.5	139.7	144.9	2.5	4.3
Other countries	282.6	172.5	4.6	15.6	8.4	0.0
Total	**4 280.2**	**4 236.9**	**1 470.4**	**1 589.6**	**103.9**	**82.9**

Income is based on where the income is earned. Fixed assets and deferred tax assets are based on where the Group's assets are located

* Fixed assets classified as financial fixed assets are not included.

NOTE 4 OTHER OPERATING INCOME

SEK million	**2012**	**2011**
Exchange rate gains	19.6	25.1
Capital gains	2.4	0.0
Other contributions and payments	13.1	14.3
Total	**35.1**	**39.4**

NOTE 5 AVERAGE NUMBER OF EMPLOYEES

	2012 Number of employees	Of which men	2011 Number of employees	Of which men
Parent company				
Hisings Kärra	31	21	37	25
Total parent company	**31**	**21**	**37**	**25**
Subsidiaries in Sweden				
Borås	139	76	152	83
Göteborg	4	3	7	5
Hisings Kärra	18	13	20	14
Munkedal	97	50	101	50
Orrefors Kosta	347	185	438	258
Stockholm	47	34	49	37
Ulricehamn	42	18	49	21
Örebro	12	4	11	4
Total subsidiaries in Sweden	**706**	**383**	**827**	**472**
Subsidiaries abroad				
Bangladesh	34	33	47	46
Belgium	40	21	41	24
Denmark	68	25	68	28
England	7	3	8	3
Finland	40	24	42	26
France	17	12	18	11
The Netherlands	162	103	163	103
Hong Kong	5	4	4	2
India	21	18	23	19
Italy	46	27	50	28
Canada	75	28	10	4
China	158	55	207	68
Norway	66	36	67	38
Poland	82	43	87	36
Switzerland	34	21	37	22
Spain	17	12	21	17
Germany	49	28	48	27
USA	536	200	376	127
Vietnam	27	11	28	11
Wales	24	12	22	12
Austria	13	9	11	8
Total subsidiaries abroad	**1 521**	**725**	**1 378**	**660**
Group total	**2 258**	**1 129**	**2 242**	**1 157**

Gender distribution within company management

	2012 Women	Men	Total	2011 Women	Men	Total
Board of Directors	2	4	6	2	4	6
Group management	0	7*	7	0	8	8
Total	**2**	**11**	**13**	**2**	**12**	**14**

*Deputy Managing Director, Rolf Karp, has been a member part of the year, but not at 31 December 2012.

NOTE 6 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

SEK million	2012 Salaries and other remuneration	Social security costs	Of which pension costs	2011 Salaries and other remuneration	Social security costs	Of which pension costs
Parent company	15.7	7.5	1.7	15.9	7.2	1.8
Subsidiaries in Sweden	281.8	105.0	14.9	277.9	105.6	15.5
Foreign subsidiaries	437.8	87.1	12.5	398.1	81.4	12.6
Group total	**735.3**	**199.6**	**29.1**	**691.9**	**194.2**	**29.9**
Of which purchasing and production personnel	161.9	46.4	2.8	159.7	49.4	3.4

Of the parent company's pension costs, SEK 0.4 million (SEK 0.4 million) concerns the corporate Board and the Managing Director. Of the Group's pension costs, SEK 3.4 million (SEK 3.2 million) concerns the corporate Board and Managing Director.

SALARIES AND OTHER REMUNERATION DIVIDED BY COUNTRY AND BETWEEN BOARD MEMBERS ETC. AND EMPLOYEES

SEK million	2012 Board and MD	Of which bonus and similar*	Other employees	2011 Board and MD	Of which bonus and similar*	Other employees
Parent company	**1.7**	**0.0**	**14.0**	**1.7**	**0.0**	**14.2**
Subsidiaries in Sweden	**9.6**	**0.2**	**272.3**	**9.5**	**0.2**	**268.4**
Subsidiaries abroad						
Belgium	0.7	0.0	13.1	0.8	0.0	15.7
Denmark	2.1	0.0	26.8	2.1	0.0	28.4
Finland	1.8	0.0	14.3	1.5	0.0	14.1
France	0.6	0.0	3.0	0.6	0.0	2.9
The Netherlands	4.9	0.0	64.0	6.9	1.9	61.2
Italy	2.6	0.1	12.4	4.7	2.1	14.7
Canada	2.9	0.4	19.1	0.3	0.0	1.1
China	0.5	0.0	18.6	0.5	0.0	22.4
Norway	2.2	0.1	36.2	2.3	0.0	34.2
Poland	0.6	0.0	2.9	0.5	0.0	2.9
Switzerland	1.9	0.1	18.9	1.9	0.2	26.8
Spain	0.9	0.0	4.1	0.9	0.0	4.9
Germany	2.1	0.3	14.4	1.4	0.1	18.1
USA	8.5	0.0	147.9	5.7	0.0	112.6
Wales	0.7	0.0	4.0	0.7	0.0	3.6
Austria	0.0	0.0	5.0	0.0	0.0	3.7
Total subsidiaries abroad	**33.0**	**1.0**	**404.7**	**30.8**	**4.3**	**367.3**
Group total	**44.3**	**1.2**	**691.0**	**42.0**	**4.5**	**649.9**

* Bonuses are related to performance and are calculated annually with no future commitment.

Board members' fees	**2012**	**2011**
External members of the parent company's Board	0.8	0.8
Of which to the Chairman of the Board	0.3	0.3

A remuneration committee for the parent company's Board has not been elected. The fees paid to the Chairman of the Board and the Board members are in accordance with the decision of the Annual General Meeting.

Conditions of employment for the Managing Director
Remuneration to the Managing Director comprises a fixed salary from New Wave Group AB. No Board member fees or other remuneration such as bonuses are paid to the Managing Director. As pension insurance for the Managing Director, a market-adjusted defined contribution plan is in place. A mutual notice period of six months applies for the Managing Director and no severance pay is awarded.

The conditions of employment for other senior executives
Other senior executives are the six persons who make up the Group management together with the Managing Director and the Deputy Managing Director part of the year. For the structure of the Group Management, see the penultimate page of this report. Remuneration to the other senior executives comprises a fixed salary. No board member fees are paid. Market-adjusted defined contribution plan exist for the other senior executives. A mutual notice period of between three to six months exists for the other senior executives and no severence pay is awarded.

Decision-making process
There is no specially appointed remuneration committe to deal with salaries, pension benefits, incentives and other employment-related conditions for the Managing Director and the Group's other senior executives; these matters are dealt with by the Board as a whole. The salaries of the senior executives are decided by the Managing Director after consultation with the Chariman of the Board. The Board members´fees are decided by the Annual General Meeting.

Salaries and other remuneration distributed by directors and other executives

SEK million	2012 Salaries and other remuneration	Of which bonus and similar	Pension costs	2011 Salaries and other remuneration	Of which bonus and similar	Pension costs
Torsten Jansson, Managing Director	0.9	0.0	0.4	0.9	0.0	0.4
Anders Dahlvig, Chairman of the Board	0.3	0.0	0.0	0.3	0.0	0.0
Christina Bellander, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Göran Härstedt, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Helle Kruse Nielsen, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Mats Årjes, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Other senior executives*	7.5	0.0	0.8	6.7	0.0	0.6
Total	**9.1**	**0.0**	**1.2**	**8.3**	**0.0**	**1.0**

*Individuals referred to on page 91.

Subscription options

	2012 Quantity with exercise date 2013	2011 Quantity with exercise date 2012	with exercise date 2013
Chairman of the Board	0	75 000	0
Other Board Members	50 000	0	50 000
Managing Director	0	0	0
Other senior executives	0	56 000	0
Total	**50 000**	**131 000**	**50 000**

Option programme to be excercised on 30 June 2013:
The programme, which runs from July 2008 until 30 June 2013, comprices 200 000 share options that can be exercised at a price up to SEK 85.40. The options were aquired at market price, which was SEK 0.88 each.

No share options have been issued during 2012.

The share's closing price on 31 December was SEK 25.00.

As at 31 December 2012, the option programme to be exercised in 2013 is not classified as "in the money".

Pension commitments
Defined benefit pension plans exist within the Group. These are only small pension plans. As the Swedish manager Alecta cannot recognise a basis that allows calculation of fixed benefit pension liabilities, this pension plan has instead been recognised as defined contribution pension plan. Recognition has therefore not been carried out in the balance sheet. Alecta's collective funding ratio at the end of the year was 129% (113%). The collective funding level is the difference between the company's assets and insurance commitments, calculated in accordance with Alecta's calculation assumptions for insurance purpouses, which do not comply with IAS 19.

Remuneration to auditors and auditing company
SEK million

Group	2012	2011
Audit assignment		
Ernst & Young	4.2	4.6
Other	2.4	1.8
Audit work outside audit assignment	0.6	0.5
Tax consultancy	0.8	0.8
Total	**8.0**	**7.7**

NOTE 7 ALLOWANCES

The Group has been awarded 1 611 (2 870) allowances which have been recorded at SEK 0 million (SEK 0 million).

NOTE 8 TAX ON PROFIT FOR THE YEAR

SEK million	2012	2011
Current tax	-46.7	-67.1
Tax attributable to previous years	-0.6	-4.9
Total	**-47.3**	**-72.0**
Deferred tax relating to temporary differences and loss carry-forward	38.2	-4.8
Totally recorded tax expense	**-9.1**	**-76.8**

The Group's tax expense for the year amounted to SEK 9.1 million (SEK 76.8 million) or 61% (27.8%) on profit before tax.

Reconciliation of actual tax
Reconciliation between the groups weighted average tax rate, based on each respective countries tax rate, and the groups actual tax:

SEK million	2012	%	2011	%
Profit before tax	14.9		275.9	
Tax expense based on respective country's tax rate	3.0	20.1	-62.9	-22.8
Tax effects from:				
Non taxable income	0.3	2.0	0.2	0.1
Non tax deductible expenses	-44.7	-300.0	-7.4	-2.7
Tax arrears assessment	-0.6	-4.0	-5.6	-2.0
Regional and other variations regarding tax rates*	3.6	24.2	-0.8	-0.3
Reverse of previous activated loss carry-forward	-11.0	-73.8	0.5	0.2
Activation of previous not activated loss carry-forward	8.1	54.4	1.2	0.4
Temporary differences	36.8	247.0	0.0	0.0
Other	-4.6	-30.9	-2.0	-0.7
Taxe rate according to consolidated income statement	**-9.1**	**-61.0**	**-76.8**	**-27.8**

*2013 years change in corporate tax rate in Sweden has had a positive effect on deferred tax liabilities. The impact on the income statement amounts to SEK 4.3 million.

NOTE 9 INTANGIBLE FIXED ASSETS

		Goodwill		Trademarks		Computer software
SEK million	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Accumulated acquisition value						
Opening acquisition value	818.0	800.9	453.4	392.7	102.0	90.3
Acquisition value as part of acquisition	0.0	6.4	0.0	56.2	0.0	0.0
Acquisitions	0.0	0.0	0.0	1.5	4.8	11.7
Sales/disposals	0.0	0.0	0.0	0.0	-2.0	0.0
Translation difference	-30.6	10.7	-16.6	3.0	-0.1	0.0
Closing accumulated acquisition value	**787.4**	**818.0**	**436.8**	**453.4**	**104.7**	**102.0**
Accumulated depreciation according to plan						
Opening depreciation	-54.4	-53.7	-18.0	-16.7	-89.1	-85.6
Sales/disposals	0.0	0.0	0.0	0.0	2.0	0.0
Depreciation during the year	-0.7	-0.7	-1.1	-1.3	-4.6	-3.5
Closing accumulated depreciation	**-55.1**	**-54.4**	**-19.1**	**-18.0**	**-91.7**	**-89.1**
Closing carrying amount	**732.3**	**763.6**	**417.7**	**435.4**	**13.0**	**12.9**

All trademarks are acquired.

There are investments in activated customer relationships amounting to a net bookvalue of SEK 10.0 milion (11.6 million) in addition to above mentioned intangible fixed assets.

Remaining depreciation time	-	-	*	*	**3 years**	**3 years**

* Trademarks with a residual value of SEK 2.4 million (SEK 3.0 million) have an average remaining depreciation time of 2.3 years (3.3 years). The remaining value is tested in annual impairment tests.

Goodwill allocated to cash-generating unit

SEK million	**2012**	**2011**
Corporate Promo	243.6	247.5
Sports & Leisure	434.8	462.2
Gifts & Home Furnishings	53.9	53.9
Total	**732.3**	**763.6**

Trademarks allocated to cash-generating unit

SEK million	**2012**	**2011**
Corporate Promo	17.9	19.1
Sports & Leisure	289.8	306.3
Gifts & Home Furnishings	110.0	110.0
Total	**417.7**	**435.4**

The distribution of intangible fixed assets between segments is based on the relationship at the time of acquisition of the relevant company/trademark and is attributed to the operating segment to which it is considered to belong. New Wave Group monitors cash-generating units at operating segment level. Goodwill is based on local currency and gives rise to translation differences in the consolidated financial statements. The value of goodwill is tested annually to ensure that the value does not deviate negatively from book value, but can be tested more often if there are indications that the value has decreased. Write-downs of the operating segments containing goodwill and trademarks are based on a calculation of the value in use. This value is based on cash flow projections for the next five years and a terminal period. The cash flows in the operating segments are influenced by commercial factors, including market growth, competitiveness, margins, cost trends, levels of investment and tied-up operating capital. Assessment of financial factors such as interest rates, borrowing costs, market risk, beta values and tax rates are added when discounting.

Assumptions made in a test are the Board's best assessment of the economic conditions expected to prevail over the forecast period, based on the current situation. Even though market conditions have stabilized and the economic situation looks somewhat brighter, a forecast for future periods is difficult to make. The first five years, 2013–2017, are based upon the Board's established internal forecasts and for the following terminal period an average growth rate of 3% (3%) has been used. Sensitivity analysis have been carried out across all operating segments.

In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of 11.5% (11.7%) before tax is used. Discounted cash flows are compared with carrying amount per cash-generating unit/operating segment. The impairment test for 2012 showed that there is no write-down required.

Corporate Promo
The calculation covers the operating segment's cash flow which is based on internal forecasts. It includes a slight increase in sales and that the capital tied up during the end of the internal forecast period (2013–2017) is expected to stay at current levels.

Sports & Leisure
The calculation covers the operating segment's cash flow which is based on internal forecasts. Measures taken in previous years have contributed to improvements in the profitability and the working capital. The effects of these measures are included in the estimated improvements forecasted.

Gifts & Home Furnishings
The calculation includes the operating segment's cash flow which is based on internal forecasts. Regarding Orrefors Kosta Boda, which is very important to the operating segment, measures to improve efficiency and profitability have been taken during 2012. The effects of these measures are included in the estimated margin and earnings improvements forecasted, including an improved stock

situation and better efficiency. During the period (2013 – 2017) 2013 is expected to have a weaker development and then a gradual improvement during the following years.

Other assumptions and comments

Market share and growth
Demand for mature products has historically followed the business cycle. The expected market growth is based on a transition from the prevailing economic situation to the expected long-term growth. The current market share has already been won for the Nordic countries but there is some growth in Europe and USA.

Exchange rates
Currency forecasts are based on the current listed exchange rate. Existing currency hedging has been taken into account.

Raw material prices
Raw material prices (cotton, electricity, oil) have been assessed on the basis of the current price level.

Personnel costs
The forecast for personnel costs is based on expected inflation, certain real salary increases and scheduled streamlining measures.

The company management estimates that reasonable changes should not have such a great effect that each individual recoverable value should be reduced to a value that is lower than that recognised for the relevant operating segment.

NOTE 10 TANGIBLE FIXED ASSETS

		Buildings and land		**Equipment, tools and installations**
SEK million	**2012**	**2011**	**2012**	**2011**
Accumulated acquisition value				
Opening acqusition value	287.8	248.3	613.1	558.2
Acquistion value as a part of acquisition	0.0	30.9	0.0	18.5
Acquisitions	5.1	8.9	49.1	47.9
Sales/disposals	-7.4	-3.5	-44.9	-8.1
Translation difference	-3.1	3.2	-16.3	-3.4
Closing accumulated acquistion value	**282.4**	**287.8**	**601.0**	**613.1**
Accumulated depreciation according to plan				
Opening depreciation	-72.9	-63.9	-461.9	-408.7
Sales/disposals	1.3	1.4	43.2	4.2
Depreciation as a part of acquisition	0.0	-0.4	0.0	-0.2
Depreciation as a part of production costs/goods for resale	-2.5	-3.0	-15.7	-18.0
Depreciation during the year	-10.9	-6.8	-32.6	-37.6
Translation difference	1.0	-0.2	5.0	-1.6
Closing accumulated depreciation	**-84.0**	**-72.9**	**-462.0**	**-461.9**
Accumulated write downs				
Opening write downs	0.0	0.0	0.0	0.0
Write downs of the year	-20.0	0.0	-20.0	0.0
Closing accumulated write downs	**-20.0**	**0.0**	**-20.0**	**0.0**
Closing book value	**178.4**	**214.9**	**119.0**	**151.2**
Value of land included in the report above amounts to	**23.5**	**26.5**		
Book value, Swedish properties	**10.2**	**40.2**		

Leasing charges in respect of operational leasing
The group has operational leasing agreements for the rental of premises and ERP systems. The future commitment for these agreements can be seen in the following summary:

		2012			**2011**
	Premises	**ERP**		**Premises**	**ERP**
2013	107.9	4.4	2012	91.3	9.0
2014	97.2	1.0	2013	76.9	4.4
2015	79.4	0.0	2014	64.0	1.0
2016	72.9	0.0	2015	52.8	0.0
2017 incl.	109.1	0.0	2016 incl.	88.2	0.0
costs through contract period end			costs through contract period end		
Cost for the year under the operational leasing heading	116.0	8.5		130.3	15.1

NOTE 11 FINANCIAL FIXED ASSETS

Shares in associated companies

SEK million	Company registration number	Registered office	Share of capital, %	Share of vote, %	Number of shares	2012 Book value	2011 Book value
Dingle Industrilokaler AB	556594-6570	Munkedal	49	49	83 055	7.4	7.5
8016267 Canada Inc	801626-7	Montreal, Canada	49	49	4 900	5.7	5.7
Glasrikets skatter ekonomiska förening	769620-1701	Orrefors	8	8	100	1.0	1.0
Kosta Köpmanshus AB	556691-7042	Kosta	49	49	7 350	29.2	29.1
Scandinavian Trade Holding AB	556686-5811	Lessebo	45	45	45	4.4	2.7
Vist Fastighetsbolag AB	556741-1672	Ulricehamn	49	49	49	14.1	14.0
Other			-	-	-	0.2	0.2
Total			**-**	**-**	**-**	**62.0**	**60.2**

A majority of the representation of the Board of Directors as well as Chairman of the Board is held by the majority owner in each associated company.

At year end the companies' equity amounted to:	2012	2011
Dingle Industrilokaler AB	15.3	15.5
8016267 Canada Inc	5.4	1.2
Glasrikets skatter ekonomiska förening	10.0	10.0
Kosta Köpmanshus AB	63.8	66.9
Scandinavian Trade Holding AB	9.6	2.1
Vist Fastighetsbolag AB	27.5	27.3

Other long-term receivables		
Loans secured	1.1	17.1
Deposits	3.6	4.2
Other long-term receivables	19.8	19.3
Total	**24.5**	**40.6**

NOTE 12 DEFERRED TAX ASSETS

Deferred tax assets and provisions for deferred tax liabilities in the group are attributable to:

SEK million	Assets	2012 Liabilities	Assets	2011 Liabilities
Loss carry-forwards	34.8	-	33.4	-
Internal gains	12.6	-	15.5	-
Reserves	2.6	-	2.8	-
Depreciation and fixed assets	0.6	-	2.0	-
Temporary differences	53.3	-	29.2	-
Trademarks	-	106.1	-	116.1
Stock	-	14.2	-	14.9
Reserves and accelerated depreciation	-	13.9	-	23.6
Other temporary differences	-	3.8	-	8.6
Deferred tax assets / liabilities	**103.9**	**138.0**	**82.9**	**163.2**

Loss carry-forwards

At the year-end the Group had a total tax loss carry-forwards of SEK 324.1 million (SEK 309.9 million). Of this, SEK 34.8 million (SEK 33.4 million) has been recorded as assets as it has been assessed that in the future there will be taxable profits against which the tax loss carry-forwards can be settled.

Total loss carryforwards expires as follows:

SEK million		2012	2011
	2013	6.4	10.8
	2014	15.5	16.7
	2015	10.5	11.0
	2016	4.4	5.3
	2017	2.8	13.6
	2022	6.7	16.0
	2023	7.8	12.0
	2024	23.1	15.1
	2025	9.5	3.5
	2026	3.5	4.0
	2027	8.6	4.6
	2028	14.8	12.2
	2029	4.6	-
	2030	7.4	-
	Unlimited	198.5	185.1
Total		**324.1**	**309.9**

Deferred tax liability derived from tax allocation reserves and accelerated depreciation in Sweden are due as follows:

		2012
	2013	1.8
	2014	0.2
	2015	0.5
	2016	5.9
	2017	3.0
	Unlimited	2.5
Total Sweden		**13.9**

NOTE 13 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2012	2011
Insurance	3.8	3.7
Prepaid rents	11.6	12.3
Prepaid leasing fees	6.4	6.3
Trade fair costs, repayable	6.4	5.9
Allocation of multi-year advertising contract	1.8	0.0
Prepaid deliveries of goods	1.1	4.7
Accrued royalty income	2.8	3.2
Accrued exchange rate gains	0.1	0.6
Other accrued income	1.7	0.9
Prepaid operational expenses	9.5	12.6
Prepaid salary costs	0.1	0.1
Prepaid expenses	2.6	3.4
Prepaid royalties	0.0	5.4
Bank charges	6.2	1.3
Accrued insurance compensation	0.0	1.5
Other items	5.7	11.5
Total	**59.8**	**73.4**

NOTE 14 CREDIT LIMIT

Amount granted in relation to loans and bank overdraft facilities amounts to SEK 2 312 million (SEK 2 339 million).

NOTE 15 ACCRUED EXPENSES AND PREPAID INCOME

SEK million	2012	2011
Salaries and payroll overhead	86.8	97.1
Marketing costs	20.0	22.8
Commission	11.3	13.3
Royalties	6.4	10.4
Audit	2.6	4.3
Interest	5.6	2.3
Delivery of goods	16.8	19.3
Electricity and rental costs	4.2	4.1
Claims	2.7	2.8
Environmental reserve	13.0	13.0
Prepaid income	0.0	1.5
Bank charges	5.2	0.0
Other items	25.6	35.5
Total	**200.2**	**226.4**

NOTE 16 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

New Wave Group is continually exposed to various financial risks. Financial risks comprise currency risks, borrowing and interest risks, and liquidity and credit risks. To minimise the impact on earnings from these risks, the Group has adopted a financial policy which describes how the company seeks to limit the impact of financial risks on reported earnings. The goal is to ensure that the central finance function exploits available economies of scale in the Group and assists the subsidiaries by providing professional service in order to minimise the risks.

FINANCING RISK

Due to the relatively capital-intensive nature of its activities and its expansive growth strategy, New Wave Group has a need to secure its funding. For a growth company like New Wave Group it is essential to ensure that sufficient liquidity is available to fund future expansion, and that there is a high degree of flexibility when acquisition opportunities present themselves. New Wave Group has a centralised finance function, which means that external borrowing is handled and administered centrally as far as possible.

At year-end the Group had credit facilities, excluding limits on letters of credit and currency futures, of SEK 2 312 million, of which SEK 1 517 million had been drawn.

The confirmed credit facilities amounts to SEK 2 200 million and have been agreed and apply until 12 November 2015 inclusive. The funding is based on covenants relating to key performance indicators. The covenants are met as of 31 December 2012. Based on the current forecast, management deems that the Group will be able to achieve these key performance indicators by a satisfactory margin. Future growth is also dependent on a sound balance sheet. New Wave Group's goal is to achieve an equity/assets ratio in excess of 30%.

Maturity structure of New Wave's borrowing	**2012**	**2011**
2012	-	41.5
2013	76.1	1 873.5
2014	50.0	-
2015	1 620.3	-

Maturity structure of New Wave's other financial liabilities

	2012	**2011**
2012	-	581.3
2013	550.4	-

	Assets at fair value through profit and loss	Loans and accounts receivables	Other financial assets	Total
Financial assets				
Accounts receivable		705.0		705.0
Other receivables			107.4	107.4
Accrued income			4.6	4.6
Derivative	0.0			0.0
Liquid assets			229.7	229.7
Total assets				**1 046.7**

Financial liabilities	Liabilities at fair value through profit and loss	Liabilities at amortized cost	Total
Liabilities to credit institutions		1 746.4	1 746.4
Derivative	7.3		7.3
Accounts payable		237.8	237.8
Accrued liabilities		187.2	187.2
Other liabilities		118.1	118.1
Total liabilities			**2 296.8**

INTEREST RISK
New Wave Group believes the use of short fixed-rate periods leads to lower borrowing costs over time. Short-term interest rates also follow the economy and therefore offset fluctuations in the Group's earnings. The interest rate is based on STIBOR and a fixed margin. The breakdown by currency of the Group's borrowing at year-end is shown in the following table. An increase in interest rates over the course of the year by one percentage point would have a negative impact on earnings of about SEK 8.0 million, based on the reported net debt at 31 December 2012. New Wave Group has no interest-bearing investments.

Breakdown by currency	Net debt, SEK million
SEK	-793
EUR	-24
GBP	9
USD	-697
CHF	26
DKK	4
NOK	-39
CAD	-41
OTHERS	38

CURRENCY EXPOSURE
A significant portion of New Wave Group's sales are made in foreign currency (approx. 70%). The consolidated income statement and balance sheet are affected by changes in exchange rates. The risks identified are transaction and translation risks. A change in exchange rates of one per cent would have an impact on sales of SEK 29 million, based on sales in 2012.

TRANSACTION EXPOSURE – HEDGE ACCOUNTING
The Group's most important purchasing curreny is the US dollar. Changes in exchange rates between the dollar, euro and Swedish krona constitute the single largest transaction exposures in the Group. In the Corporate Promo operating segment New Wave Group is the stockkeeper. Orders from resellers are therefore not placed until the reseller has received an order from the end customer. The order backlog for future deliveries is therefore small, as deliveries are made immediately. Due to the character of the product range, i.e. that continuity in collections is desirable and that most of the range consists of basic garments, the risk of obsolescence is low. Adjustments for changes in purchase prices are made continuously due to the immediate nature of sales, which limits the currency risk. In Sports & Leisure about 82% of sales are made through the retail sales channel. A large portion of these sales are made through advance orders, unlike in the promo sales channel, where products are delivered directly upon receipt of orders. This means, for instance, that customers place orders in the spring for delivery in the autumn. About 50–75% of all retail sales in Sports & Leisure are made in this way. Upon receipt of an order, New Wave Group submits an order to the factory, which significantly limits the risk of obsolescence. The remaining portion of sales in the retail sales channel, known as supplementary sales, mainly comprises basic goods with limited fashion risk. In order to limit the currency risk, about 50–80% of foreign currency purchases in Sports & Leisure are hedged against fluctuations in exchange rates. When an order is placed derivatives are purchased to guarantee the value of incoming deliveries to the warehouses. In these cases IAS 39 hedge accounting is applied, which means that changes in the value of derivatives are recognised in other comprehensive income. In the Gifts & Home Furnishings operating segment most of the product range is manufactured in Sweden. In cases where products are purchased from another country, about 50–80% of the foreign currency purchases are hedged.

Fair value of financial instruments
The fair values of interest-bearing assets and liabilities may differ from their carrying amounts, partly as a result of changes in market interest rates. The fair values of these assets have been determined by discounting future cash flows using current interest rates and exchange rates for equivalent instruments. For financial instruments such as trade receivables, trade payables and other non-interest-bearing financial assets and liabilities, which are carried at amortised cost less any impairment losses, the fair value is deemed to agree with the carrying amount. The Group's long-term borrowing is mainly through credit facilities with long maturities but short fixed-rate periods.

Outstanding transactions hedging and value 2012-12-31

	Hedged volume result SEK million	Unrealized SEK million	Number of hedged months
EUR	0.0	0.0	< 6
EUR	0.0	0.0	6 > 12
USD	26.5	-2.2	< 6
USD	0.0	0.0	6 > 12
		-2.2	

The above hedged volume consists exclusively of currency futures, all of which mature within twelve months of the end of the year. For 2012 consolidation to SEK had a positive impact on consolidated income of SEK 3 million (SEK -176 million).

Region	Currency influence 2012	Currency influence 2011
Nordic Countries	-8,1	-23,3
Central Europe	-20,7	-38,3
Southern Europe	-10,8	-10,9
USA	40,2	-93,6
Other countries	2,4	-9,9
Total	**3,0**	**-176,0**

BALANCE SHEET EXPOSURE
The balance sheet is affected, as assets and liabilities are expressed in foreign currency as they arise. The majority of the risks which arise are eliminated, either through funding in each company's functional currency or through hedging using futures.

TRANSLATION EXPOSURE
New Wave Group does not apply hedge accounting of equity.

The Group's earnings are affected by translation differences. These arise upon consolidation of the profits or losses of foreign subsidiaries and had a negative impact of SEK -70.5 million in 2012.

CREDIT RISKS
The risk that the Group's customers will fail to meet their obligations, i.e. that New Wave Group's trade receivables will not be paid, constitutes a credit risk. New Wave Group has adopted a number of centrally issued directives, based on which each company has drawn up a set of written procedures for credit checks. Information from external credit reference agencies is one stage of the process. The credit risk in the Corporate Promo operating segment is lower, as the resellers, which are New Wave Group's customers, make purchases based on orders that have already been placed by the end customers. The resellers are relatively small and large in number. In Sweden alone New Wave Group has over 2 000 customers, and there is no significant known credit risk in any individual customer or group of customers. New Wave Group has insured its trade payables in the Spanish and Italian companies. In 2012 actual bad debts in Corporate Promo represented 0.29% of sales. In the Gifts & Home Furnishings and Sports & Leisure operating segments sales are made to selected resellers, and credit losses are small, although there is a higher concentration to a smaller number of customers compared with the promo market. In 2012 actual bad debts in these two operating segments represented 0.23% of sales.

Customer financing	2012	2011
Exposure	755.8	816.5
Credit risk reserve	50.8	34.2
Carrying amount	**705.0**	**782.3**

A description of credit risk exposures is given in the table below:

Per 31 December 2012	Number customers	Percentage of total customers	Percentage of portfolio
Exposure < 1 MSEK	25 606	93.0	62.8
Exposure 1 - 5 MSEK	865	3.1	17.2
Exposure > 5 MSEK	1 082	3.9	20.0
Total	**27 553**	**100.0**	**100.0**

The provision for doubtful receivables has been changed as follows:

Provision for doubtful receivables	2012	2011
Provision at the beginning of the year	34.2	49.1
Reserve for anticipated losses	17.4	-4.4
Confirmed losses	-0.8	-10.5
Provision at year-end	**50.8**	**34.2**

Other than the provision for estimated bad debts, there are no impairment losses on financial instruments.

Age analysis

Matured and impaired	2012	2011
< 30 days	589.9	663.6
30 - 90 days	60.8	64.7
> 90 days	54.3	54.0
Total	**705.0**	**782.3**

FINANCIAL CREDIT RISKS

The liquidity generated in the Group is continually transferred to New Wave Group's treasury centre through various pooling systems and reduces the credit volume. New Wave Group has not made any financial investments. Temporary liquid assets may arise during the year as a result of cash flows.

OTHER RISKS

Purchasing market

New Wave Group's purchases are mainly made in China, Bangladesh, India and Thailand. Political and socioeconomic changes could have an impact on New Wave Group. By maintaining a high level of preparedness and by making purchases in several different countries in Europe as well as Asia, New Wave Group limits the economic risk which would arise if purchases were made from a single country.

Strong growth

The continued expansion planned by New Wave Group will put strong pressure on management and employees. The wrong recruitments, organisational problems, the departure of key individuals, etc could delay and affect the progress of the expansion. The crucial factor determining the pace of expansion is that earnings expand at the same pace, which could result in uneven growth rates. New Wave Group is allocating resources to internal management training programmes, mentorship schemes and annual meetings of management to guarantee future leadership and spread New Wave Group's values.

Fashion trends – changes in economic conditions

Although New Wave Group devotes significant resources to ensure good design and quality, the company cannot exclude the possibility of temporary declines in sales for certain collections due to the rapid pace of change in the fashion industry. However, New Wave Group has a limited risk, as the fashion content is lower in the Corporate Promo operating segment while the Sports & Leisure operating segment is focused on areas that are less sensitive to changes in fashions, such as Craft functional underwear and Seger socks. New Wave Group's goal is to ensure that the Promo sales channel continues to account for 60–80% of total sales.

Foreign expansion

The Group intends to establish a presence in additional foreign countries only when previous foreign operations are generating satisfactory profits. The Board deems that this strategy represents a good compromise between growth and reduced risk. New Wave Group believes it is very hard to determine the exact timetables and budgets for new foreign ventures, which could entail a risk of initial losses. However, the Board deems that the company is well equipped for the new ventures that are being planned.

Environment

The Group's operations may involve environmental commitments, but the Board's and the management's assessment is that these — to the extent that they may have an impact on the Group's financial position — have been considered in the present financial statement.

NOTE 17 NET ASSETS IN FOREIGN CURRENCIES

SEK million

The Group's net assets in foreign currencies are not normally hedged.

Net assets	2012	2011
Euro, EUR	527.8	528.5
Canadian dollar, CAD	21.1	19.7
Swiss franc, CHF	437.8	509.2
US dollar, USD	447.3	452.3
Nowegian krone, NOK	57.7	50.9
Danish krone, DKK	27.0	30.4
Chinese yuan, CNY	41.4	43.4
Polish zloty, PLN	14.6	13.2
Hong Kong dollar, HKD	0.4	0.3
British pound, GBP	56.1	53.4
Total net assets in foreign currencies	**1 631.2**	**1 701.3**

NOTE 18 CURRENCY EXPOSURE IN OPERATING PROFIT

SEK million

The table shows currency exposed operating profit per currency.

Operating profit	2012	2011
Euro, EUR	53.3	86.6
Canadian dollar, CAD	15.4	2.1
Swiss franc, CHF	135.2	151.9
US dollar, USD	79.3	68.1
Nowegian krone, NOK	21.5	30.9
Danish krone, DKK	3.9	5.4
Chinese yuan, CNY	-0.4	-5.7
Polish zloty, PLN	1.1	3.3
Hong Kong dollar, HKD	0.2	0.0
British pound, GBP	-0.5	3.7
Total operating profit in foreign currencies	**309.0**	**346.3**

NOTE 19 PLEDGED ASSETS AND MATURING LIABILITIES

SEK million		Due for payment			
Liability	Liabilities as at 31 Dec, 2012	Within one year	Within one to five years	Pledged assets	Liabilities as at 31 Dec, 2011
Liabilities to credit institutions	1 746.4	76.1	1 670.3	see below	1 915.0

Pledged assets in relation to liabilities to credit institutions and overdraft facilities

	2012	2011
Floating charges	663.5	663.5
Property mortgages	60.9	65.4
Net assets in subsidiaries	2 010.9	2 109.8
Stocks and accounts receivable	769.8	372.8
Total	**3 505.1**	**3 211.5**

Other information concerning pledged assets

Trademarks have been specially pledged to the bank. The amounts are included in the net assets in subsidiaries recognised above. The commitment of the Group's main bank is based on agreed covenant conditions. See also the section on financial risk in Note16.

NOTE 20 CONTINGENT LIABILITIES

SEK million	2012	2011
Guarantees	91.3	16.1
Guarantees for associated companies	6.0	8.3
Total	**97.3**	**24.4**

NOTE 21 NET DEBT

SEK million	2012	2011
Liquid assets	-229.7	-117.7
Long-term interest-bearing liabilities	1 670.3	1 873.5
Short-term interest-bearing liabilities	76.1	41.5
Total	**1 516.7**	**1 797.3**
Effective interest rate based on recognised net interest	3.5	3.2

NOTE 22 STOCK

SEK million	2012	2011
Raw materials	33.7	63.8
Work in progress	13.2	20.7
Goods in transit	70.5	64.1
Good for resale in stock	1 528.0	1 825.3
Total	**1 645.4**	**1 973.9**

Stocks consist of clothes, gift items and accessories for resale. The stocks are valued by applying the FIFO principle, at the lowest of the cost and net sales value on the balance sheet date. Deductions are made for internal profit made from deliveries between Group companies. There is a low risk that the net sales value is lower than the cost in the Corporate Promo operating segment since much of the product range consists of timeless basic products which are in demand season after season. For sales within the Sports & Leisure operating segment, orders to the factory are placed once the purchase order has been received from the customer, which considerably reduces the risk that the net sales value is lower than the cost. Remaining sales are mainly made up of basic items with a limited fashion risk. Within the Gifts & Home Furnishings operating segment, most of the volume consists of classic, best-selling products that in many cases have a product cycle of more than 20 years, which limits the risk that the net sales value is lower than the cost. The amount of obsolescence reserve has during the year increased by SEK 86 million. The increase is related to above mentioned measured taken within Orrefors Kosta Boda. Last year the provision for obsolescence increased with SEK 16 million. As at 31 December 2012, the Group's stock has been written down with SEK 163.0 million (SEK 77.0 million), which constitutes 9.1% (4.2%) of the goods for resale in stock. The part of the stock which is recorded to net realizable value after deduction of selling expenses amounts to SEK 747.8 million (SEK 772.6 million).

NOTE 23 FINANCIAL INCOME AND COSTS

SEK million	2012	2011
Interest income	1.9	2.3
Interest on overdue accounts receivable	2.9	3.3
Translation gains on short-term receivables	0.1	1.3
Interest expense	-62.2	-53.4
Interest on overdue accounts payable	-0.1	-0.4
Translation differences on liabilities	0.1	-2.7
Other financial expenses	-0.9	-1.4
Total	**-58.2**	**-51.0**

NOTE 24 RELATED PARTIES

SEK million	Sales to		Purchases from		Receivables		Liabilities	
Associated companies	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Glasrikets skatter ekonomiska förening	-	0.2	0.2	0.5	-	-	-	-
Dingle Industrilokaler AB	-	-	2.6	2.2	-	-	0.2	0.2
Kosta Köpmanshus AB	0.8	1.1	21.3	18.1	0.9	0.4	1.9	1.5
Vist Fastighets AB	-	-	4.2	4.0	0.1	-	0.4	0.3
8016267 Canada Inc	0.9	-	-	-	0.4	-	-	-

Reporting of associated companies is done under Note 11 Financial fixed assets. Information is also submitted in the presentation of the Board and Management and under Note 6 Salaries, other remuneration and social security costs. Reporting of dividends from, and capital injections to, associated companies is covered in Note 11. All transactions are carried out under market conditions.

Transactions with key figures in management positions
Ulrica Messing is Managing Director in one of the Group's companies. A company owned by her has purchased goods, amounting to SEK 0.7 million, from companies within New Wave Group. Her company has also paid rent for premises, amounting to SEK 0.1 million, to New Wave Group companies and compensation for consultancy services rendered amounts to SEK 0.7 million. Göran Härstedt, member of the Board of Directors, has carried out consultancy services amounting to SEK 1.2 million, which has been invoiced through a company of his own. All transactions are carried out under market conditions.

NOTE 25 OTHER PROVISIONS

SEK million		
Provision for taxes	**2012**	**2011**
Opening balance	0.0	15.2
Reversed provision	0.0	-13.5
Transferred to deferred tax liability	0.0	-1.7
Closing balance at year-end	**0.0**	**0.0**
Other provisions		
Opening balance	0.6	0.8
Reversed during the year	0.0	-0.2
Provisions during the year	0.7	0.0
Closing balance at year-end	**1.3**	**0.6**
Total other provisions	**1.3**	**0.6**

NOTE 26 ACQUISITIONS

Previous year's preliminary acquisition values in Ahead Inc and Paris Glove of Canada Inc have been established without amendments according to below.

Final acquisition calculations:	MUSD	MSEK
Purchase amount	23.8	151.1
Acquisition costs	0.6	4.1
Total purchase amount	**24.4**	**155.2**
Acquired assets. net		149.1
Expensed acquisition costs		4.1
Goodwill		2.0
Cash flow impact analysis		
Net acquired cash balance	0.5	3.1
Paid purchase amount	-24.0	-151.1
Paid acquisition costs	-0.6	-4.1
Net cash impact	**-24.1**	**-152.1**

Acquired assets, net SEK million	Booked value at Ahead	Real value adjustment	Acquired assets net (real value)
Liquid assets	3.1		3.1
Land and buildings	30.9		30.9
Equipment	15.4		15.4
Stock	66.6		66.6
Accounts receivable	36.3		36.3
Other assets	6.4		6.4
Debts	-20.3		-20.3
Trademark		12.7	12.7
Deferred tax		-2.0	-2.0
Acquired assets, net	**138.4**	**10.7**	**149.1**
Goodwill			2.0
Total purchase amount			**151.1**

	Total	Deferred tax	Net	Ec. life	Depr./y
Goodwill	2.0	0.0	2.0	-	-
Trademark	12.7	-2.0	10.7	-	-

Final acquisition calculations:	MUSD	MCAD	MSEK
Purchase amount	2.2	14.2	107.2
Acquisition costs	0.5	-	3.0
Total purchase amount	**2.7**	**14.2**	**110.2**
Acquired assets. net			102.8
Expensed acquisition costs			3.0
Goodwill			4.4
Cash flow impact analysis			
Net acquired cash balance	-	1.2	7.8
Paid purchase amount	-2.2	-14.2	-107.2
Paid acquisition costs	-0.5	-	-3.0
Net cash impact	**-2.7**	**-13.0**	**-102.4**

Acquired assets. net SEK million	Booked value at Paris group	Real value adjustment	Acquired assets net (real value)
Liquid assets	7.8		7.8
Equipment	3.1		3.1
Stock	54.8		54.8
Accounts receivable	76.5		76.5
Other assets	45.9		45.9
Debts	-121.8		-121.8
Trademark		43.5	43.5
Deferred tax		-7.0	-7.0
Acquired assets. net	**66.3**	**36.5**	**102.8**
Goodwill			4.4
Total purchase amount			**107.2**

	Totalt	Deferred tax	Net	Ec. life	Depr./y
Goodwill	4.4	0.0	4.4	-	-
Trademark	43.5	-7.0	36.5	-	-

Income statement – parent company

1 January – 31 December

SEK million	Not	2012	2011
Income	19	109.6	120.6
Other operating income	2	17.6	19.6
Operating costs			
External costs	4, 8, 19	-90.4	-90.9
Personnel costs	3,4	-24.2	-24.2
Depreciation of tangible and intangible fixed assets	7,8	-3.1	-3.0
Other operating costs		-15.3	-18.9
Operating profit		**-5.8**	**3.2**
Net income from shares in Group companies		239.8	188.6
Write-down of financial fixed assets		-203.6	-345.0
Financial income		77.1	77.3
Financial costs		-131.2	-127.2
Net financial items	18	**-17.9**	**-206.3**
Profit before appropriations and tax		**-23.7**	**-203.1**
Appropriations	5	15.8	3.7
Tax on profit for the year	6	0.0	-10.4
Profit for the year		**-7.9**	**-209.8**

Total comprehensive income for the year correspond with profit for the year

Cash flow statement – parent company

1 January – 31 December

SEK million	2012	2011
Current operations		
Operating profit/loss	-5.8	3.2
Adjustment for items not included in cash flow	3.2	3.4
Received dividends	13.6	0.0
Received interest	77.1	77.3
Paid interest	-72.3	-64.0
Paid income tax	-7.1	5.5
Cash flow from current operations before changes in working capital	**8.7**	**25.4**
Cash flow from changes in working capital		
Decrease/increase in current receivables	311.2	-28.1
Decrease in short-term liabilities	-122.6	-33.6
Cash flow from operations	**197.3**	**-36.3**
Investing activities		
Intragroup sales of group companies	10.1	0.0
Investments in tangible fixed assets	-1.4	-3.5
Investments in intangible fixed assets	-0.2	-5.8
Sales of intangible fixes assets	0.1	0.0
Acquisition of shares	0.0	-24.5
Loans given to subsidiaries	0.0	-171.1
Cash flow from investing activities	**8.6**	**-204.9**
Cash flow after investing activities	**205.9**	**-241.2**
Financial activities		
Loan raised	0.0	309.0
Amortization of loan	-141.9	0.0
Raised long-term receivable	0.0	-1.5
Dividend paid to shareholders of the parent company	-66.3	-66.3
Cash flow from financial activities	**-208.2**	**241.2**
Cash flow for the year	**-2.3**	**0.0**
Liquid assets at the beginning of the year	0.0	0.0
Adjustment liquid assets at the beginning of the year*	21.2	0.0
Liquid assets at year end	**18.9**	**0.0**

*As of 2012 gross accounting of cash in bank is applied.

Balance sheet – parent company

As at 31 December

SEK million	Note	2012	2011
ASSETS			
Fixed assets			
Intangible fixed assets	7	3.8	5.0
Tangible fixed assets	8	2.1	2.4
Financial fixed assets			
Shares in Group companies	9	1 324.8	1 382.1
Shares in associated companies	10	58.9	58.9
Receivables on Group companies		747.6	793.4
Other long-term receivables		2.0	2.0
Total financial fixed assets		*2 133.3*	*2 236.4*
Total fixed assets		**2 139.2**	**2 243.8**
Current assets			
Current receivables			
Accounts receivable		0.2	2.8
Receivables on Group companies		819.6	1 098.9
Tax receivables		5.6	2.3
Other receivables		76.3	40.6
Prepaid expenses and accrued income	11	13.7	10.2
Total current receivables		*915.4*	*1 154.8*
Cash at bank and in hand		18.9	0.0
Total current assets		**934.3**	**1 154.8**
TOTAL ASSETS		**3 073.5**	**3 398.6**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	13	199.1	199.1
Restricted reserves		249.4	249.4
		448.5	**448.5**
Unrestricted equity			
Retained profits		500.1	776.2
Share premium reserve		48.0	48.0
Profit for the year		-7.9	-209.8
		540.2	**614.4**
Total equity		**988.7**	**1 062.9**
Untaxed reserves	12	**33.4**	**49.3**
Long-term liabilities			
Overdraft facilities	14	1 547.0	1 763.5
Total long-term liabilities		**1 547.0**	**1 763.5**
Short-term liabilities			
Short-term interest-bearing liabilities		50.0	0.0
Accounts payable		24.3	32.8
Liabilities to Group companies		408.7	478.0
Current tax liability		0.0	3.8
Other liabilities		5.9	0.8
Accrued expenses and prepaid income	15	15.5	7.5
Total short-term liabilities		**504.4**	**522.9**
TOTAL EQUITY AND LIABILITIES		**3 073.5**	**3 398.6**
Pledged assets and contingent liabilities for the parent company			
Pledged assets	16	1 082.3	1 136.7
Contingent liabilities	17	230.2	302.1

Changes in equity – parent company

SEK million	Share capital	Restricted reserves	Retained profits	Share premium reserve	Profit for the year	Total equity
Opening balance 2011-01-01	**199.1**	**249.4**	**725.5**	**48.0**	**117.0**	**1 339.0**
Transfer according to Annual General meeting			**117.0**		**-117.0**	**0.0**
Profit for the year					-209.8	-209.8
Total change in net assets excluding transactions with shareholders	**0.0**	**0.0**	**0.0**	**0.0**	**-209.8**	**-209.8**
Dividends			-66.3			-66.3
Closing balance 2011-12-31	**199.1**	**249.4**	**776.2**	**48.0**	**-209.8**	**1 062.9**

SEK million	Share capital	Restricted reserves	Retained profits	Share premium reserve	Profit for the year	Total equity
Opening balance 2012-01-01	**199.1**	**249.4**	**776.2**	**48.0**	**-209.8**	**1 062.9**
Transfer according to Annual General meeting			**-209.8**		**209.8**	**0.0**
Profit for the year					-7.9	-7.9
Total change in net assets excluding transactions with shareholders	**0.0**	**0.0**	**0.0**	**0.0**	**-7.9**	**-7.9**
Dividends			-66.3			-66.3
Closing balance 2012-12-31	**199.1**	**249.4**	**500.1**	**48.0**	**-7.9**	**988.7**

NOTE 1 ACCOUNTING PRINCIPLES FOR THE PARENT COMPANY

The Swedish Financial Reporting Board's Recommendation 2 – Accounting for Legal Entities and the Swedish Annual Accounts Act have been applied when preparing the parent company's annual accounts. In accordance with this recommendation, the parent company shall prepare its reports in accordance with the IASB's International Financial Reporting Standards (IFRS) adopted by the EU, to the extent that these are not contrary to the Swedish Annual Accounts Act. The accountancy principles have been applied consistently for all periods, unless otherwise stated.

In Sweden, group contributions are deductable, unlike the shareholder contribution. Group contributions are reported so that they mainly reflect the transaction's financial consequence. Group contributions, which have the same aim as the shareholder contribution, are activated as an investment in subsidiaries in the balance sheet with a reservation for impairment testing. The Company has chosen to use the exclusion rule which means that given shareholders contribution are reported as financial expenses. Group contributions received which are comparable with a dividend are reported as a dividend, net income from shares in Group companies. This means that Group contributions received and their associated tax effect are recognized in the income statement.

The deferred tax liability on untaxed reserves is reported under untaxed reserves in the parent company's annual accounts due to the connection between accounting and taxation.

NOTE 2 OTHER INCOME

SEK million	2012	2011
Foreign exchange gains	17.6	19.6
	17.6	**19.6**

NOTE 3 AVERAGE NUMBER OF EMPLOYEES

	2012 Number of employees	2012 Of which men	2011 Number of employees	2011 Of which men
Hisings Kärra	31	21	37	25
Total	**31**	**21**	**37**	**25**

NOTE 4 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

SEK million	2012 Salaries and other remuneration	2012 Social security costs	2012 Of which pension costs	2011 Salaries and other remuneration	2011 Social security costs	2011 Of which pension costs
	15.7	7.5	1.7	15.9	7.2	1.8

Of the parent company's pension costs SEK 0.4 million (SEK 0.4 million) concerns the Company Board and the Managing Director.

Salaries and other remuneration divided between board members etc. and employees

SEK million	2012 Board and MD	2012 Of which bonus and similar	2012 Other employees	2011 Board and MD	2011 Of which bonus and similar	2011 Other employees
	1.7	0.0	14.0	1.7	0.0	14.2

Board members' fees	2012	2011
External members of the parent company's Board	0.8	0.8
Of which to the Chairman of the Board	0.3	0.3

A remuneration committee for the parent company has not been elected. The fees paid to the Chairman of the Board and the Board of Directors are in accordance with the decision of the Annual General Meeting.

Conditions of employment for the Managing Director

Remuneration to the Managing Director comprises a fixed salary from New Wave Group AB. No board member's fees or other remuneration such as bonuses are paid to the Managing Director. As pension insurance for the Managing Director, a market-adjusted defined contribution plan is in place. A mutual notice period of six months applies for the Managing Director and no severence pay is awarded.

The conditions of employment for other senior executives

Other senior executives refers to the three persons whom together with the Managing Director is a part of the Group management and Deputy Managing Director part of the year. For the structure of the Group management, see the penultimate page of this report. Renumeration to the other senior executives comprises a fixed salary. No board member fees are paid. Market adjusted defined contribution pension plan exist for the other senior executives. A mutual notice period of between three to six months exists for the other senior executives and no severence pay is awarded.

Decision-making process

There is no specially appointed renumeration committee to deal with salaries, pension benefits, incentives and other employment-related conditions for the Managing Director and the Group's other senior executives; these matters are dealt with by the Board as a whole. The salaries of the senior executives are decided by the Managing Director after consultation with the Chairman of the Board. The board members' fees are decided by the Annual General Meeting.

SEK million	2012 Salaries and other remuneration	Of which bonus and similar	Pension costs	2011 Salaries and other remuneration	Of which bonus and similar	Pension costs
Torsten Jansson, Managing Director	0.9	0.0	0.4	0.9	0.0	0.4
Anders Dahlvig, Chairman of the Board	0.3	0.0	0.0	0.3	0.0	0.0
Christina Bellander, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Göran Härstedt, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Helle Kruse Nielsen, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Mats Årjes, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Other senior executives*	3.1	0.0	0.6	2.5	0.0	0.4
Total	**4.7**	**0.0**	**1.0**	**4.1**	**0.0**	**0.8**

*Individuals referred to on page 91.

Subscriptions options	2012 Quantity with exercise date 2013	2011 Quantity with exercise date 2012	Quantity with exercise date 2013
Chairman of the Board	0	75 000	0
Other Board Members	50 000	0	50 000
Managing Director	0	0	0
Other senior executives	0	28 000	0
Total	**50 000**	**103 000**	**50 000**

Option programme to be excercised on 30 June 2013:
The programme, which runs from July 2008 until 30 June 2013, comprices 200 000 share options that can be exercised at a price up to SEK 85.40.
The options were aquired at market price, which was SEK 0.88 each.

No share options have been issued during 2012.

The share's closing price on 31 December was SEK 25.00.

Option plan to be exercised in 2013 is not classified as "in the money" as at 31 December 2012.

Pension commitments
Defined benefit pension plans exist within the Group. These are only for smaller pension plans. As the Swedish manager Alecta cannot recognise a basis that allows calculation of defined benefit pension liabilities, this pension plan has instead been recognised as a defined contribution plan. Recognition has therefore not been carried out in the balance sheet. Alecta's collective funding ratio at the end of the year was 129% (113%). The collective funding level is the difference between the company's assets and insurance commitments, calculated in accordance with Alecta's calculation assumptions for insurance purpouses, which do not comply with IAS 19.

Remuneration to auditors and auditing company

SEK million	2012	2011
Audit assignment		
Ernst & Young	0.7	0.7
Others	0,2	0,0
Audit work outside audit assignment	0.4	0.2
Total	**1.3**	**0.9**

NOTE 5 APPROPRIATIONS

SEK million	2012	2011
Difference between reported depreciation and depreciation according to plan	0.1	-0.1
Tax allocation reserve	15.7	3.8
Total	**15.8**	**3.7**

NOTE 6 TAX ON PROFIT FOR THE YEAR

SEK million	2012	2011
Current tax	0.0	-5.7
Tax attributable to previous years	0.0	-4.7
Total	**0.0**	**-10.4**

Reconciliation of actual tax				
Profit before tax	**-7.9**		**-199.4**	
Tax expense according to local tax rate	2.1	26.6%	52.4	26.3%
Tax effects from:				
Non taxable income	52.7	667.1%	33.3	16.7%
Non tax deductible expenses	-54.8	-693.7%	-91.1	-45.7%
Tax arrears assessment	0.0	0.0%	-4.7	-2.4%
Other	0.0	0.0%	-0.3	-0.2%
Tax according to income statement	**0.0**	**0.0%**	**-10.4**	**-5.2%**

NOTE 7 INTANGIBLE FIXED ASSETS

	Trademarks		Computer software	
SEK million	**2012**	**2011**	**2012**	**2011**
Accumulated acquisition values				
Opening acquisition value	6.9	6.9	13.9	8.1
Acquisitions	0.0	0.0	0.1	5.8
Closing accumulated acquisition value	**6.9**	**6.9**	**14.0**	**13.9**
Accumulated depreciation according to plan				
Opening depreciation	-6.9	-6.6	-8.9	-7.7
Depreciation during the year	0.0	-0.3	-1.3	-1.2
Closing accumulated depreciation	**-6.9**	**-6.9**	**-10.2**	**-8.9**
Closing book value	**0.0**	**0.0**	**3.8**	**5.0**

NOTE 8 TANGIBLE FIXED ASSETS

	Equipment, tools and installations	
SEK million	**2012**	**2011**
Accumulated acquisition values		
Opening acquisition value	9.8	6.3
Acquisitions	1.5	3.5
Closing accumulated acquisition value	**11.3**	**9.8**
Accumulated depreciation according to plan		
Opening depreciation	-7.4	-5.9
Depreciation during the year	-1.8	-1.5
Closing accumulated depreciation	**-9.2**	**-7.4**
Closing book value	**2.1**	**2.4**

Leasing costs for operational leasing

The Group has operational lease agreements for rental of premises and ERP systems. The future commitment for these agreements can be seen in the following summary:

		2012			2011
	Premises	**ERP**		**Premises**	**ERP**
2013	1.6	4.4	2012	1.6	9.0
2014	1.6	1.0	2013	1.6	4.4
2015	1.6	0.0	2014	1.6	1.0
2016	1.6	0.0	2015	1.6	0.0
2017 incl. costs through contract period end	0.0	0.0	2016 incl. costs through contract period end	1.6	0.0
Rental costs for the year amounted to	1.6	8.5		1,6	15,1

NOTE 9 SHARES IN GROUP COMPANIES

	Equity %	Voting rights, %	Number of shares	Book value
Dahetra A/S[9]	100	100	1 000	29 000
DJ Frantextil AB	100	100	30 000	12 284
EBAS Group BV[1]	100	100	5 100	27 010
GC Sportswear OY	100	100	8 000	82
Hefa AB2	100	100	18 985	49 803
Intraco Holding BV[3]	64	64	49 804	33 362
Jobman Workwear AB	100	100	10 000	81 387
Kosta-Förlaget AB	100	100	500	1 136
New Wave Asia Ltd	100	100	1	9
New Wave Austria GmbH	100	100	-	18 921
New Wave Danmark A/S	100	100	2	1 180
New Wave France SAS	100	100	100	12 103
New Wave Garments Ltd	100	100	-	0
New Wave Group Incentives AB	100	100	1 000	100
New Wave Group International Trading Ltd	100	100	-	0
New Wave Group SA[4]	100	100	100	536
New Wave Holland BV[8]	100	100	13 614	84 834
New Wave Italia S.r.l	100	100	500 000	6 670
New Wave Mode AB	100	100	100 000	54 639
New Wave Profile Professional AB	100	100	1 000	100
New Wave Profile Professional Ltd	100	100	1 000	14
New Wave Sports AB	100	100	50 000	5 000
New Wave Sportswear A/S	100	100	9 000	1 022
New Wave Sportswear BV	100	100	40	7 397
New Wave Sportswear S.A.	100	100	1 000	4 295
New Wave Trading Shanghai Ltd	100	100	-	17 888
New Wave USA Inc [6]	100	100	-	441 958
OKB Restaurang AB	100	100	10 000	0
Orrefors Event AB	100	100	100	100
Orrefors Kosta Boda Holding AB in the process of changing name to Orrefors Kosta Boda AB[5]	100	100	100 000	24 481
OY Trexet Finland AB	100	100	600	1 412
New Wave Group Canadian Distribution Inc (former 9238-8834 Quebec Inc)[10]	100	100	1 000	17 788
Pax Scandinavia AB	100	100	2 400	26 909
Pensionat Orrefors AB	100	100	100	105
Projob Workwear AB	100	100	1 015 684	492
Sagaform AB[7]	100	100	5 611 223	65 490
Seger Europe AB	100	100	10 000	34 599
Texet AB	100	100	58 500	87 659
Texet Benelux BV	86	86	-	102 558
Texet France SAS	96	96	47 798	0
Texet Poland Sp z o.o.	51	51	7 885	1 858
United Brands of Scandinavia Ltd, Wales	100	100	200	54 973
X-Tend BV	100	100	100 000	15 673
Total				**1 324 827**

1 EBAS Group BV owns 14% of Texet Benelux BV, 4% of Texet France SAS and 100% of Texet Harvest Spain SL.
2 Hefa AB owns company Texet GmbH which owns New Wave GmbH.
3 Intraco Holding owns Intraco Hong Kong Ltd, Intraco International Ltd, Intraco Electronics Ltd, Intraco Trading BV och 60% av DeskTop Ideas Ltd.
4 New Wave Group SA owns New Wave Group Licensing SA and New Wave Far East Ltd.
5 Orrefors Kosta Boda Holding AB, in the process of changing name to Orrefors Kosta Boda AB, owns Orrefors Kosta Boda AB, in the process of changing name to Kosta Glasproduktion AB, which owns Glasma AB, Orrefors Kosta Boda Leasing AB and SEA Glasbruk AB.
6 New Wave USA Inc owns Cutter & Buck , Auclair Sports Inc, Gloves International Inc as well as Orrefors Kosta Boda Inc, which in turn owns Sagaform Inc and Ahead Inc.
7 Sagaform AB owns Sagaform APS and Sagaform GmbH (Germany).
8 New Wave Holland BV owns Lensen Toppoint BV, Toppoint Deutschland GmbH, Newpoint Sp. z.oo, Toppoint Polska Sp z.oo and GS Plastics GmbH.
9 Dahetra A/S owns Hurricane Purchases A/S.
10 New Wave Group Canadian Distribution Inc, former 9238-8834 Quebec Inc, owns Paris Glove of Canada Ltd, which in turn owns Laurentide Gloves Ltd.

Information regarding subsidiary corporate identities and domiciles:

	Company registration number	Domicile
Ahead Inc	45-2433808	New Bedford, USA
Auclair Sports Inc	V245570	Burlington, USA
Cutter & Buck Inc	206-830-6812	Seattle, USA
Dahetra A/S	37764728	Skanderborg, Denmark
Desk Top Ideas Ltd	718094721	Oxfordshire, England
DJ Frantextil AB	556190-4086	Borås, Sweden
EBAS Group BV	17078626	Mijdrecht, The Netherlands
GC Sportswear OY	1772317-6	Esbo, Finland
Glasma AB	556085-8671	Emmaboda, Sweden
Gloves International Inc	2579860	Mayfield, USA
Hefa AB	556485-2126	Hisings Kärra, Sweden
Hurricane Purchase A/S	16503770	Skanderborg, Denmark
Intraco Holding BV	34228913	Wormerveer, The Netherlands
Intraco Hong Kong Ltd	33959038-000-10-03-3	Hong Kong
Intraco International Ltd	35134648-000-11-04-7	Hong Kong
Intraco Electronics Ltd	- - -	Shenzhen, China
Intraco Trading BV	35027019	Wormerveer, The Netherlands
Jobman Workwear AB	556218-1783	Stockholm, Sweden
Kosta-Förlaget AB	556700-7140	Orrefors, Sweden
Laurentide Gloves Ltd	1142613307	Montreal, Canada
Lensen Toppoint BV	5055988	Bergentheim, The Netherlands
New Wave Asia Ltd	1213487	Hong Kong
New Wave Austria GmbH	FN272531g	Eli, Austria
New Wave Danmark A/S	234083	Köpenhamn, Denmark
New Wave Far East Ltd	551901	Hong Kong
New Wave France SAS	430 060 624 000 29 514C	Dardilly, France
New Wave Garments Ltd	755013846	Shanghai, China
New Wave GmbH	HRB10847	Oberaudorf, Germany
New Wave Group Incentives AB	556544-8833	Borås, Sweden
New Wave Group International Trading Ltd	74959455X	Shanghai, China
New Wave Group SA	CH-645-1009704-1	Cortaillod, Switzerland
New Wave Holland BV	5061847	Hardenberg, The Netherlands
New Wave Italia S.r.l	1730/9310/45	Codogno, Italien
New Wave Licensing SA	CH-645-4099083-3	Cortaillod, Switzerland
New Wave Mode AB	556312-5771	Dingle, Sweden
New Wave Profile Professionals AB	556765-0782	Dingle, Sweden
New Wave Profile Professionals Ltd	893996	Hong Kong
New Wave Sports AB	556529-1845	Borås, Sweden
New Wave Sportswear A/S	946506370	Sarpsborg, Norway
New Wave Sportswear BV	30159098	Mijdrecht, The Netherlands
New Wave Sportswear S.A.	29963 166887 0190 B1	Barcelona, Spain
New Wave Trading Shanghai Ltd	310000400561917	Shanghai, China
New Wave USA Inc	26-28441698	Seattle, USA
Newpoint Sp z o.o.	270348	Zielona Góra, Poland
OKB Restaurang AB	556697-8804	Orrefors, Sweden
Orrefors Event AB	556699-2565	Orrefors, Sweden
Orrefors Kosta Boda AB in the process of changing name to Kosta Glasproduktion AB	556037-0461	Orrefors, Sweden
Orrefors Kosta Boda Holding AB in the process of changing name to Orrefors Kosta Boda AB	556519-1300	Orrefors, Sweden
Orrefors Kosta Boda Inc	23-05822990	West Berlin, USA
Orrefors Kosta Boda Leasing AB	556374-8804	Orrefors, Sweden
OY Trexet Finland AB	0874124-1	Esbo, Finland
Paris Glove of Canada Ltd	1142613711	Montreal, Canada
New Wave Group Canadian Distribution Inc, former 9238-8834 Quebec Inc	1167232215	Montreal, Canada
Pax Scandinavia AB	556253-8685	Örebro, Sweden
Pensionat Orrefors AB	556697-6790	Nybro, Sweden
Projob Workwear AB	556560-7180	Borås, Sweden
Restaurant AB Kullegården	556552-1373	Lessebo, Sweden
Sagaform AB	556402-4064	Borås, Sweden
Sagaform APS	25818253	Karlebo, Denmark
Sagaform GmbH	47619	Frankfurt am Main, Germany
Sagaform Inc	20-3981096	West Berlin, USA
SEA Glasbruk AB	556066-8883	Kosta, Sweden
Seger Europe AB	556244-8901	Gällstad, Sweden

Texet AB	556354-3015	Stockholm, Sweden
Texet Benelux NV	BE 404.998.655	Aarschot, Belgium
Texet France SAS	305035693	Naterre Cedex, France
Texet GmbH	328/5857/0728	Menden, Germany
Texet Harvest Spain SL	A 78480696	Madrid, Spain
Texet Poland Sp z o.o.	281382	Poznan, Poland
Toppoint Deutschland GmbH	HR B 1986	Nordhorn, Germany
Toppoint Polska Sp z o.o.	220828	Zielona Góra, Poland
United Brands of Scandinavia Ltd	5480650	Hirwaun, South Wales
X-Tend BV	8108654	Zwolle, The Netherlands

NOTE 10 FINANCIAL FIXED ASSETS

Reported acquisition costs for the associated companies

SEK million	2012	2011
Dingle Industrilokaler AB	8.3	8.3
8016267 Canada Inc	5.7	5.7
Glasrikets skatter ekonomiska förening	1.0	1.0
Kosta Köpmanshus AB	29.4	29.4
Scandinavian Trade Holding AB	1.0	1.0
Vist Fastighetsbolag AB	13.5	13.5
Total	**58.9**	**58.9**

NOTE 11 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2012	2011
Leases	5.4	5.0
Prepaid credit fees	6.2	1.3
Prepaid rents	0.4	0.4
Prepaid fair costs, repayable	0.9	0.4
Prepaid expenses	0.0	2.1
Other items	0.8	1.0
Total	**13.7**	**10.2**

NOTE 12 UNTAXED RESERVES

SEK million	2012	2011
The difference betwwen reported depreciation and depreciation according to plan	0.0	0.1
Tax allocation reserve 07	0.0	15.7
Tax allocation reserve 08	5.8	5.9
Tax allocation reserve 09	-	-
Tax allocation reserve 10	1.0	1.0
Tax allocation reserve 11	19.4	19.4
Tax allocation reserve 12	7.2	7.2
Total	**33.4**	**49.3**

Deferred tax on untaxed reserves amounts to SEK 7.3 million (SEK 13.0 million).

NOTE 13 EQUITY

Division of share capital
The parent company's share capital consisted of the following number of shares as at 31 December 2012 with a quoted value of up to SEK 3.0 per share.

Shares %

Share class		No. of shares	No. of votes	Capital	Votes
A	10 votes	20 707 680	207 076 800	31.2	81.9
B	1 vote	45 635 863	45 635 863	68.8	18.1
Total		**66 343 543**	**252 712 663**	**100.0**	**100.0**

NOTE 14 CREDIT LIMIT

Amount granted in relation to loans and bank overdraft facilities amount so SEK 2 200 million (SEK 2 200 million).

The company's overdraft facilities with the bank are defined as long-term as the credit facility is valid until 12 November 2015.

NOTE 15 ACCRUED EXPENSES AND PREPAID INCOME

SEK million	2012	2011
Holiday pay liability	2.1	2.9
Social security charges	0.4	0.4
Special employer's contibution	0.9	0.8
Audit	0.4	0.1
Interest	5.2	2.0
Credit charge	5.6	0.3
Legal services	0.7	0.8
Other items	0.2	0.2
Total	**15.5**	**7.5**

NOTE 16 PLEDGED ASSETS AND MATURING LIABILITIES

		Due for payment				
Liability	**Liability as per 31 Dec. 2012**	**Within 1 year**	**Between one to five years**	**Later than five years**	**Pledged asset**	**Liability as per 31 Dec. 2011**
Liability to credit institution	1 597.0	50.0	1 547.0	-	see below	1 763.5

Pledged assets in relation to debts to credit institutions and overdraft facilities

	2012	2011
Company mortgages	30.0	30.0
Shares in subsidiary	1 044.0	1 098.4
Shares in associated company	8.3	8.3
Total	**1 082.3**	**1 136.7**

NOTE 17 CONTINGENT LIABILITIES

SEK million	2012	2011
Guarantees for subsidiaries	230.2	302.1

NOTE 18 FINANCIAL INCOME AND COST

SEK million	2012	2011
Write down of financial fixed assets	-203.6	-345.0
Profit/loss from internal Group sales of subsidiaries	-1.1	12.6
Dividends from subsidiaries	240.9	176.0
Financial income, Group companies	43.6	39.0
Financial income, other	33.5	38.3
Financial expenses, Group companies	-70.9	-74.8
Financial expenses, other	-60.3	-52.4
Total	**-17.9**	**-206.3**

NOTE 19 RELATED PARTIES

Sales
Of the parent company's invoiced sales, SEK 109.1 million (SEK 120.0 million) equivalent to 99.6% (99.5%) were sales to Group companies. All transactions have occured in accordance with market conditions.

Transactions with related persons
The mother company has not had any transactions with related persons during 2012.

Auditor's report

To the annual meeting of the shareholders
of New Wave Group AB (publ),
corporate identity number 556350 - 0916

Report on the annual accounts and consolidated accounts
We have audited the annual accounts and consolidated accounts of New Wave Group AB (publ) for the year 2012. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 44–89.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and consolidated income statement and consolidated balance sheet for the group.

Report on other legal and regulatory requirements
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of New Wave Group AB (publ) for the year 2012.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions
We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Göteborg, April 3, 2013

Ernst & Young AB

Björn Grundvall
Authorized Public Accountant

The Group in summary

Income statements in brief, SEK million	**2012**	**2011**	**2010**	**2009**	**2008**
Income	4 280.2	4 236.9	4 243.4	4 087.0	4 604.2
Other operating income	35.1	39.4	32.2	68.9	56.5
Operating costs	-4 152.3	-3 898.8	-3 889.6	-3 912.9	-4 227.7
Profit before depreciation	163.0	377.5	386.0	243.0	433.0
Depreciation and write-downs	-89.9	-50.6	-58.4	-70.6	-64.2
Operating profit	73.1	326.9	327.6	172.4	368.8
Net financial items	-58.2	-51.0	-27.3	-46.2	-136.0
Profit before tax	14.9	275.9	300.3	126.2	232.8
Tax	-9.1	-76.8	-78.8	-38.4	-84.9
Profit for the year	**5.8**	**199.1**	**221.5**	**87.8**	**147.9**
Balance sheets in brief					
Trademarks	417.7	435.4	376.0	392.2	413.2
Other fixed assets	1 243.1	1 337.9	1 267.5	1 367.2	1 468.4
Stock	1 645.4	1 973.9	1 594.7	1 624.8	2 200.3
Accounts receivable	705.0	782.3	787.9	735.3	835.8
Other current assets	200.3	159.2	170.8	202.4	261.8
Liquid assets	229.7	117.7	121.7	80.4	191.2
Total assets	**4 441.2**	**4 806.4**	**4 318.6**	**4 402.3**	**5 370.7**
Equity attributable to shareholders	1 934.3	2 068.6	1 908.3	1 773.6	1 797.9
Equity attributable to non-controlling (minority) interest	23.7	24.2	24.7	33.5	35.9
Provisions	149.4	173.1	172.3	195.6	203.0
Interest-bearing liabilities	1 746.4	1 915.0	1 528.3	1 821.2	2 767.5
Non-interest-bearing liabilities	587.4	625.5	685.0	578.4	566.4
Total equity and liabilities	**4 441.2**	**4 806.4**	**4 318.6**	**4 402.3**	**5 370.7**
Cash flows					
Cash flow before changes in working capital and investments	181.4	269.6	332.1	138.9	163.1
Changes in working capital	159.7	-203.6	11.5	667.4	-431.1
Cash flow before investments	341.1	66.0	343.6	806.3	-268.0
Net investments	-50.4	-326.5	-57.6	-23.0	-65.2
Cash flow after investments	290.7	-260.5	286.0	783.3	-333.2
Financial payments	-223.5	256.0	-241.2	-884.8	377.2
Cash flow for the year	**67.2**	**-4.5**	**44.8**	**-101.5**	**44.0**
Key figures					
Gross margin, %	43.6	47.7	47.1	46.5	48.5
Operating margin, %	1.7	7.7	7.7	4.2	8.0
Profit margin, %	0.3	6.5	7.1	3.1	5.1
Net margin, %	0.2	4.6	5.3	2.1	3.2
Return on capital employed, %	2.0	8.9	9.4	4.3	9.0
Return on equity, %	0.4	9.9	12.1	4.9	9.2
Equity/assets ratio, %	44.1	43.5	44.8	41.0	34.1
Net debt/equity ratio, %	77.5	85.9	72.8	96.3	140.5
Proportion of risk-bearing capital, %	44.1	46.9	48.2	42.4	35.2
Interest coverage ratio, times	1.2	5.8	10.4	3.4	2.6
Rate of capital turnover, times	0.9	0.9	1.0	0.8	0.9
Rate of stock turnover, times	1.3	1.2	1.4	1.1	1.2
Average number of employees	2 258	2 242	2 196	2 203	2 562
Salary costs incl. social security contributions, SEK million*	934.9	886.1	861.8	917.0	1 007.0
Sales outside Sweden, %	72.9	69.7	69.6	70.9	70.9

* includes purchase and production personnel.

Data per share	2012	2011	2010	2009	2008
Number of shares before dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543
Number of shares after dilution	66 343 543	67 343 543	67 343 543	67 343 543	66 343 543
Profit per share before dilution, SEK	0.08	2.99	3.31	1.29	2.18
Profit per share after dilution, SEK	0.08	2.94	3.26	1.27	2.18
Equity per share, SEK	29.51	31.54	29.14	27.24	27.64
Equity per share after dilution, SEK	29.51	31.08	28.70	26.83	27.64
Share price as at 31 December, SEK	25.00	23.00	40.40	27.50	6.25
P/E ratio as at 31 December	229.36	7.76	12.03	20.54	2.87
Dividend per share, SEK	1.00	1.00	1.00	0.25	0.18
Dividend yield, %	4.0	4.3	2.5	0.9	2.9
Operating cash flow per share, SEK	5.14	1.01	5.18	12.15	-4.04

Definitions

Return on equity
Profit for the year according to income statement in percent of average adjusted equity.

Return on capital employed
Profit before tax plus financial costs in percent of average capital employed.

Gross margin
Income with deductions for goods for resale in percent of income.

EBITDA
Operating profit before depreciation.

Capital turnover
Income divided by the average balance sheet total.

Net margin
Profit for the year as a percentage of the period´s income.

Net debt/equity ratio
Interest bearing liabilities less interest bearing assets as a percentage of equity.

Interest coverage ratio
Result before tax plus financial costs divided by financial costs.

Operating margin
Operating profit after depreciation as a percentage of the period´s income.

Working capital
Total current assets less liquid assets less short-term non-interest bearing liabilities.

Equity/assets ratio
Equity including non-controlling (minority) interest as a percentage of balance sheet total.

Capital employed
Balance sheet total less non-interest bearing liabilities and non-interest bearing provisions.

Profit margin
Result before tax as a percentage of the period´s income.

Stock turnover
Goods for resale divided by average stock.

Profit per share
Profit for the year in relation to a weighted average of the outstanding number of shares.

Share of risk-bearing capital
Total equity and deferred tax liabilities (including non-controlling (minority) interest) divided by the balance sheet total.

The Board of Directors

Anders Dahlvig, born 1957
Chairman of the Board since May 2009. Former MD and CEO of the IKEA Group (April 1999 to September 2009).
Other directorships: Member of the Board of H&M Hennes & Mauritz AB, Kingfisher plc, Oriflame SA and Resurs Bank Aktiebolag.
Holdings in the company, own and related parties:
20,000 class B shares.

Helle Kruse Nielsen, born 1953
Member of the Board since 2009.
Other directorships: Member of the Board of Gumlink A/S, Lantmännen ek för and Oriflame Cosmetics SA.
Holdings in the company, own and related parties:
5,000 class B shares.

Christina Bellander, born 1955
Member of the Board since 2009.
Other directorships: Chairman of the Board of Fabaris AB and the School of Education and Communication at Jönköping University, and Member of the Board of Novus Group.
Holdings in the company, own and related parties:
2,000 class B shares.

Mats Årjes, born 1967
Member of the Board since 2007.
MD SkiStar AB. Other directorships: Chairman of the Swedish Ski Association, Member of the Board of SkiStar AB.
Holdings in the company, own and related parties:
10,000 class B shares and 50,000 class B share options.

Göran Härstedt, born 1965
Member of the Board since 2009.
Other directorships: Chairman of the Board for a number of companies within the New Wave Group.
Holdings in the company, own and related parties:
1,000,000 class A shares and 568,000 class B shares.

Torsten Jansson, born 1962
MD and CEO. Founder and majority shareholder in New Wave Group AB. Member of the Board since 1991.
Other directorships: Chairman of the Board of Porthouse Interior AB and Member of the Board of Svensk Handel.
Holdings in the company, own and related parties:
20,707,680 class A shares and 1,883,017 class B shares.

Group Management

Torsten Jansson, born 1962
Managing Director and CEO. New Wave Group AB's founder and majority share holder.
Holdings in the company, own and related parties: 20,707,680 class A shares and 1,883,017 class B shares.

Lars Jönsson, born 1964
CFO. Employed since 2007.
Holdings in the company, own and related parties: 50,000 class B shares.

Magnus Rapp, born 1976
Corporate Legal Counsel. Employed since 2011.
Holdings in the company, own and related parties: 25,000 class B shares.

Patrick Fransson, born 1971
Internal Auditor. Employed since 2011.
Holdings in the company, own and related parties: 50,000 class B shares.

Magnus Claesson, born 1960
CBO. Employed since 2010.
Holdings in the company, own and related parties: Does not hold any securities in the company.

Tomas Jansson, born 1965
Northern Europe Manager Corporate Promo and Managing Director of New Wave Mode AB. Employed since 1993.
Holdings in the company, own and related parties: 20,000 class B shares.

Ernest Johnson, born 1951
Managing Director of New Wave Group USA Inc. Employed since 2007.
Holdings in the company, own and related parties: Does not hold any securities in the company.

Auditors

Björn Grundvall, born 1955
Authorised Public Accountant, Ernst & Young AB. Auditor of the company since 2012.

AGM

The Annual General Meeting (AGM) will take place on Tuesday 7 May 2013 at 1 pm at the Kosta Boda Art Hotel, Stora vägen 75, 360 52 Kosta, Sweden. Shareholders have the right to attend the AGM if they are registered in the copy of the share register made on 30 April 2013 and notify the company of their intention to attend the AGM by 12 noon on 30 April 2013 at the latest.

Nominee registered shares
Shareholders with nominee-registered shares must register their shares in their own name with Euroclear Sweden AB to be entitled to attend the AGM. This registration must be completed by 30 April 2013 and an application shall therefore be made to the nominee in good time before this date.

Notification
Notification of attendance at the AGM shall be made by letter or e-mail to:
New Wave Group AB
Orrekulla Industrigata 61
SE-425 36 Hisings Kärra
Sweden
bolagsstamma@nwg.se

The notification shall state:
The notification shall state name, personal identification number/company registration number and daytime phone number. Shareholders who wish to attend the AGM must have notified the company of this before 12 noon on 30 April 2013 when the notification deadline expires.

Issues
The issues prescribed by law and the articles of association, the below proposals for dividends and other issues mentioned in the notice to convene the meeting will be addressed at the AGM.

Dividend payment
The Board proposes to the Annual General Meeting a dividend for 2012 of SEK 1.00 per share, corresponding to a total of SEK 66,344 thousand. The Board has proposed 13 May 2013 as the record day for the dividend. This record day assumes payment of the dividend from Euroclear Sweden AB on 16 May 2013.

Cover image by Harvest.

New Wave Group AB (publ) Org nr 556350-0916
Orrekulla Industrigata 61, SE-425 36 Hisings Kärra
Telefon: +46 (0)31 712 89 00, Fax: +46 (0)31 712 89 99
info@nwg.se www.nwg.se